

CVA3

Notice of supervisor's progress report in voluntary arrangement



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 5 6 6 9 7 0 9
Company name in full Ferrari Developments Limited

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

2 Supervisor's name

Full forename(s) Ruth Elizabeth
Surname Harris

3 Supervisor's address

Building name/number Unit 6 Twelve O'Clock Court
Street Attercliffe Road
Post town Sheffield
County/Region
Postcode S 4 7 W W
Country

4 Supervisor's name ^①

Full forename(s) Nicola Jane
Surname Kirk

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

5 Supervisor's address ^②

Building name/number Unit 6 Twelve O'Clock Court
Street Attercliffe Road
Post town Sheffield
County/Region
Postcode S 4 7 W W
Country

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

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6 Date of voluntary arrangement

Date

d	0	d	2	m	0	m	6	y	2	y	0	y	1	y	7
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

7 Period of progress report

Date from

d	0	d	2	m	0	m	6	y	2	y	0	y	2	y	0
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Date to

d	0	d	1	m	0	m	6	y	2	y	0	y	2	y	1
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

8 Progress report

☒ I attach a copy of the progress report

9 Sign and date

Supervisor's signature

Signature

X



X

Signature date

d	3	d	0	m	0	m	7	y	2	y	0	y	2	y	1
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CVA3

Notice of supervisor's progress report in voluntary arrangement



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 **Matt Thompson**

Company name **Abbey Taylor Limited**

Address **Unit 6 12 O'clock Court**
Attercliffe Road

Post town **Sheffield**

County/Region

Postcode **S 4 7 W W**

Country

DX

Telephone **0114 331 0000**



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 and dated 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 or email 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

IN THE MATTER OF THE INSOLVENCY ACT 1986

**FERRARI DEVELOPMENTS LIMITED ("THE COMPANY")
COMPANY NUMBER 05669709
COMPANY VOLUNTARY ARRANGEMENT (CVA)**

**SUPERVISORS' REPORT TO CREDITORS AND MEMBERS ON THE PROGRESS
OF THE VOLUNTARY ARRANGEMENT UNDER RULE 2.41 OF THE
INSOLVENCY (ENGLAND AND WALES) RULES 1986**

1. Introduction

The voluntary arrangement was approved on 2 June 2017 and Nicola Jane Kirk and Philip David Nunney were appointed Joint Supervisors.

Following an Order (No 539 of 2018) made in the High Court of Justice, Business and Property Courts in Leeds on 18 June 2018, Philip David Nunney, formerly of Abbey Taylor Limited, was removed as Joint Supervisor of the arrangement to be replaced by Ruth Elizabeth Harris of Abbey Taylor Limited.

2. Comments on receipts and payments

Attached is our receipts and payments account for the 12 months ended 1 June 2021, together with a summary which gives details of all transactions for the 48 months since the commencement of the voluntary arrangement on 2 June 2017. All amounts are shown net of VAT. We have reconciled the account against the financial records that we are required to maintain.

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

a) Voluntary contributions

Under the terms of the Arrangement the Company is scheduled to make 60 consecutive monthly contributions of £1,000 amounting to £60,000 and rising as reviews allow.

To the date of the anniversary the company should have made 48 monthly payments of £1,000 totalling £48,000. We can confirm that total payments received to the anniversary amount to £46,000, of which payments totalling £12,000 were received during the period under review. Following two missed payments, the company accrued arrears of £2,000 during a previous reporting period. However, all contributions due during the period under review have been received. The position will continue to be monitored carefully.

The terms of the proposals require us to conduct a trading review annually to ascertain whether any additional payments have become due as a result of the company receiving additional income. As noted in our last annual report, the company failed to provide us with the relevant information to enable us to conduct a review of the company's trading by the last anniversary. In view of this a Notice of Breach was issued to the company on 21 July 2020. The company subsequently provided us with the information required and on 21 August 2020 a review of the company's trading was undertaken whereby no further payments were due.

Unfortunately, despite repeated requests the company has once again failed to provide the necessary information for the period due to 1 June 2021. Accordingly, a notice of breach was issued on 9 July 2021 giving the Company 1 month to rectify the breach. If the Company fails to rectify the breach we will convene a decision procedure to decide whether or not to terminate the Arrangement and whether to issue a Winding Up petition against the company. If the Company rectifies the breach we will complete the trading review and report the outcome to creditors in the next annual progress report. Creditors should contact us directly if they wish to receive a copy of the completed review documents.

b) Other receipts

Bank interest gross of tax has been received into the arrangement bank account totalling £20.05 of which £3.25 was received during the period under review. The balance of funds are held in an interest bearing estate bank account.

The Company has not confirmed whether it has received any windfalls in the period covered by the report.

3. Creditor claims

	As per Proposal £	Agreed Claims £
Unsecured (including contingent claims)	756,567.51	753,629.84
Unsecured (excluding contingent claims)	90,007.51	-

There are 3 creditor claims outstanding with a statement of affairs balance totalling £63,076.37. However, it should be noted that included in this amount is an amount owing to the director in the sum of £61,259.

It is anticipated that total creditor claims will be in line with the amount disclosed by the company in the Statement of Affairs.

Dividends totalling 1p in the £ have been distributed to unsecured creditors with agreed claims with the following distributions made in the period under review:

Distribution to unsecured creditors

Date	p in the £	Amount Paid £
27/07/2020	1	7,537.56

The latest dividend of 1p in the £ totalling £7,537.56 was paid to all proving unsecured creditors following the anniversary of the arrangement on 2 July 2021. Future dividends will continue to be paid annually.

4. Office holders' remuneration

Under the terms of the proposal as modified our remuneration as Nominees is to be a fixed fee of £5,000. We have drawn the Nominees' fees of £5,000 in full during a previous reporting period.

In addition, a fee of £1,000 plus VAT has been paid to UHY Hacker Young LLP for the provision of information as noted within the proposal. This fee was discharged during a previous period.

Under the terms of the proposal our remuneration as Supervisor is to be calculated on a time cost basis estimated at £12,000.

A schedule of our time costs incurred to the date to which this report is prepared is attached as Appendix 2. Our total time costs to the date to which this report is prepared amount to £33,611.50, representing 127.65 hours work at a blended charge out rate of £263.31, of which £5,522.50 was charged in the period since 2 June 2020, representing 20.65 hours work at a blended charge out rate of £267.43.

We have yet to draw any Supervisors' remuneration from the Arrangement.

The proposal estimated that the total Supervisors' fees for the duration of the Arrangement would be £12,000. We now estimate that they will be £40,000. This is as a result of increased senior staff time being spent on the case, numerous Notices of Breach being issued, numerous conversations and meetings with the Director chasing for outstanding information and payment of the contributions, undertaking trading reviews and calling a decision procedure shortly after the approval of the arrangement. As advised in our previous annual report, we will voluntarily cap our remuneration to enable distributions to be made to unsecured creditors.

During the course of the Arrangement we have taken the necessary steps to discharge our duties as Supervisors in accordance with the terms of the Arrangement. A description of the routine work undertaken since the last progress report is as follows:

1. Administration and Planning

- Preparing documentation required.
- Dealing with all routine correspondence.
- Maintaining physical case files and electronic case details on the case management system.
- Undertaking periodic case reviews.
- Reviewing the specific bonding on a quarterly basis.
- Case planning and administration.
- Preparing a report to members and creditors.
- Monitoring compliance with the terms of the Arrangement

2. Cashiering
 - Maintaining and managing the Supervisors' bank account.
 - Ensuring statutory lodgements and tax lodgement obligations are met.
 - Undertaking bank reconciliations on a monthly basis.
3. Creditors
 - Dealing with creditor correspondence and telephone conversations.
 - Maintaining creditor information on the case management system.
 - Issuing a Notice of Intended Dividend to all creditors yet to claim in the Arrangement.
 - Paying a dividend to creditors
4. Realisation of Assets
 - Corresponding with directors and collecting payments.
 - Reviewing the Company's trading and statutory accounts
 - Liaising with the Directors regarding the Company's monthly contributions and trading accounts

In addition to the routine work above, we have spent additional time chasing the director with regard to the requested information to undertake the annual review of the company's trading and issuing a Notice of Breach for the failure to provide the requested information during the timescales provided.

This work was necessary to administer the Voluntary Arrangement. Some of the work was required by statute and regulatory guidance, but it contributed to the payment of the agreed dividends to creditors and the conclusion of this Arrangement. We think that this shows that the fee due to be paid to the Supervisors is a fair and reasonable reflection of the work carried out.

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 Voluntary Arrangement Fees' also published by R3, is available at the link <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/>. Please note that there are different versions of the Guidance Notes and in this case you should refer to the most recent version. A hard copy of both documents can be obtained on request.

5. Office holders' 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.

We have incurred total expenses of £1,442.36 of which we incurred £18.75 in the period since 2 June 2020. We have drawn £1,290.37 to 1 June 2021, all of which was drawn during a previous reporting period.

We have not used any agents or professional advisors in the reporting period and for details of agents we have utilised during previous periods, please refer to our previous annual reports.

We have incurred the following category 1 expenses in the since the commencement of the Voluntary Arrangement, net of VAT where applicable:

	Nominees	From	From	Total	Drawn	Outstanding
	£	02/06/17	02/06/20	£	£	£
		to	to			
		01/06/19	01/06/21			
		£	£			
Specific Bonding	-	340.00	-	340.00	272.00	68.00
Postage	54.80	95.46	9.75	160.01	104.47	55.54
Court Fees	50.00	90.00	-	140.00	140.00	-
Legal Fees & Disbursements	-	773.90	-	773.90	773.90	-
Land Registry Searches	-	-	9.00	9.00	-	9.00
	104.80	1,299.36	18.75	1,422.91	1,290.37	132.54

The specific bond represents the cost of obtaining a specific penalty bond which is an insurance required by statute that every insolvency office holder has to obtain for protection of the estate. As a result of the cessation of Philip Nunney acting as Joint Supervisor and Ruth Harris being appointed on 18 June 2018, an additional bond was incurred and is included above.

Details of the category 1 expenses that we have paid to date are included in the receipts and payments account attached.

We are required to seek approval before we can pay any expenses to associates or pay expenses where there is an element of shared costs, which are known as category 2 expenses. We have obtained approval to pay the following category 2 expenses:

	Nominees	From	From	Total	Drawn	Outstanding
	£	02/06/17	02/06/20	£	£	£
		to	to			
		01/06/20	01/06/21			
		£	£			
Photocopying	-	19.45	-	19.45	-	19.45
	-	19.45	-	19.45	-	19.45

Nature of expense	Estimated expenses	Expenses incurred to date
Specific Bonding	272.00	340.00
Postage	388.00	160.01
Court Filing Fee	50.00	140.00
Land Registry Fee	Nil	9.00
Legal Fees*excl VAT	75.00	750.00
Legal Disbursements	Nil	23.90
Photocopying	150.00	19.45
Total	935.00	1,442.36

As you can see above, the total expenses incurred are higher than the total expenses that were estimated in the outcome statement accompanying the proposal for the Voluntary Arrangement. This is as a result of the court fee being higher than anticipated and as a result of legal advice sought in respect of the company's breach and proposed variation shortly following appointment. Additional bond costs were also incurred following the replacement of the former joint Supervisor.

6. Matters outstanding

- Arrears – The company has accrued arrears of £2,000. However, the company has made all contributions due during the period under review. The company is not currently in breach of the arrangement and the position will be monitored closely.
- Payments to Secured Lender - The company is required to ensure that interest payments totalling £40,000 per annum are paid to West Street Leisure Limited. It was agreed that payments of £3,333.33 per month would be made in this regard. Paragraph 29 to the Proposal states that should these payments not paid on time, this will constitute as a default of the arrangement. The secured lender has advised that there are 13 months arrears outstanding, however they have confirmed that the company is making regular payments. West Street Leisure Limited have yet to confirm whether a breach should be issued with a view to terminating the arrangement.

7. Progress and prospects for the full implementation of the Arrangement

A Notice of Breach was issued on 9 July 2021, as a result of the Company's failure to provide the Supervisors with relevant information to enable them to undertake a review of the company's trading for the period ending 1 June 2021. The company has been given a period of 1 month to rectify this breach and further details will be provided in our next report.

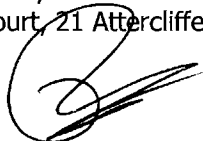
Distributions totalling 1p in the £ have been made to those unsecured creditors whose claims have been lodged in the year to which this report relates. Total distributions to unsecured creditors to date amount to 2.02p in the £, including the distribution paid following the anniversary of the arrangement.

It is expected that the Arrangement will be fully implemented and that the final dividend to unsecured creditors will be 4p in the £.

To comply with the Provision of Services Regulations, some general information about Abbey Taylor Limited, can be found in the attached summary sheet.

Abbey Taylor Limited uses personal information in order to fulfil the legal obligations of our Insolvency Practitioners under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how Abbey Taylor Limited uses your personal information on our website at www.abbeytaylor.co.uk/privacy-policy.

If creditors or members have any queries regarding the conduct of the Voluntary Arrangement, or if they want hard copies of any of the documents made available on-line, they should contact me at Abbey Taylor Limited, Unit 6, Twelve O'Clock Court, 21 Attercliffe Road, Sheffield S4 7WW or by email at info@abbeytaylor.co.uk, or by phone on 0114 331 0000.



Ruth Elizabeth Harris
Joint Supervisor

Ferrari Developments Limited
(Under a Voluntary Arrangement)
Joint Supervisors' Summary of Receipts and Payments

RECEIPTS	Statement of Affairs (£)	From 02/06/2017 To 01/06/2020 (£)	From 02/06/2020 To 01/06/2021 (£)	Total (£)
Voluntary Contributions	60,000.00	34,000.00	12,000.00	46,000.00
Bank Interest Gross		16.80	3.25	20.05
		34,016.80	12,003.25	46,020.05
PAYMENTS				
Specific Bond		272.00	0.00	272.00
Provision of Information Fee		1,000.00	0.00	1,000.00
Court Fee		140.00	0.00	140.00
Nominees Fees		5,000.00	0.00	5,000.00
Legal Fees		750.00	0.00	750.00
Legal Disbursements		23.90	0.00	23.90
VAT Paid		354.78	0.00	354.78
Petitioning Creditor Costs		920.00	0.00	920.00
Postage		104.47	0.00	104.47
Dividends to Unsecured Creditors	(756,567.51)	148.05	7,537.46	7,685.51
		8,713.20	7,537.46	16,250.66
Net Receipts/(Payments)		25,303.60	4,465.79	29,769.39
MADE UP AS FOLLOWS				
Estate Bank a/c – Interest-Bearing		25,303.60	4,465.79	29,769.39
		25,303.60	4,465.79	29,769.39

Note:

VAT is not recoverable

Agreed Claims: £753,755.29

Dividends Paid to Date

01/07/19 - 0.02p in £

27/07/20 - 1p in £

Time Entry - SIP9 Time & Cost Summary

1704 - Ferrari Developments Limited
All Post Appointment Project Codes
From: 01/04/2019 To: 01/06/2021

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	9.55	0.00	10.60	19.10	39.35	9,962.25	253.17
Case Specific Matters	0.30	0.00	0.00	0.00	0.30	135.00	450.00
Creditors	2.25	0.00	0.25	7.70	10.20	2,224.50	218.09
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.25	0.00	0.00	0.00	0.25	112.50	450.00
Statutory Compliance	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
Total Hours	12.45	0.00	10.85	26.80	50.10	12,434.25	248.19
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

Time Entry - SIP9 Time & Cost Summary

1704 - Ferrari Developments Limited
All Post Appointment Project Codes
From: 02/06/2020 To: 01/06/2021

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	5.05	0.00	3.70	9.90	18.65	4,922.50	263.94
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.50	0.00	0.25	1.00	1.75	487.50	278.57
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.25	0.00	0.00	0.00	0.25	112.50	450.00
Statutory Compliance	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
Total Hours	5.80	0.00	3.95	10.90	20.65	5,522.50	267.43
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

Abbey Taylor Ltd**TIME & CHARGEOUT SUMMARIES**

Ferrari Developments Ltd (post)

To 31 Mar 2019

HOURS

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	12.15	17.00	0.00	20.25	49.40	13,442.25	272.11
Realisation of Assets	0.00	0.00	0.00	0.50	0.50	87.50	175.00
Creditors	0.80	13.65	2.10	9.50	26.05	7,087.50	272.07
Investigations	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
Total Fees Claimed £	4,532.50	10,727.50	367.50	4,989.75		20,617.25	
Total Hours	12.95	30.65	2.10	30.25	75.95		
Average Rate	350.00	350.00	175.00	164.95			

PRACTICE FEE RECOVERY POLICY FOR ABBEY TAYLOR LIMITED

Introduction

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for an 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 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:

www.r3.org.uk/technical-library/england-wales/technical-guidance/fees

Statement of Insolvency Practice 9 can be accessed at www.r3.org.uk/technical-library/england-wales/sips

A hard copy of the documents made available online may be requested free of charge from Abbey Taylor Limited, Unit 6 12 O'clock Court, Attercliffe Road, Sheffield, S4 7WW. Please note that we have provided further details in this policy document.

SIP 9 also contains various requirements that the office holder must 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 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:

- Case Administration (including statutory reporting) – includes work such as planning how the case will be administered and progressed; the administrative set up of the case; notifying creditors and others of the appointment; keeping the records relating to the case up to date; and reporting on progress of the case to creditors and others.
- Realisation of Assets – includes work such as identifying, securing and insuring assets; dealing with retention of title claims; collecting debts owed; and selling assets.
- Investigations – includes work such as undertaking an initial review of the financial affairs of the company or debtor; undertaking a detailed investigation with a view to making recoveries for the benefit of creditors where matters such as preferences or wrongful trading come to light as a result of the initial review; and reporting to the Insolvency Service on the conduct of the directors.
- Creditors (claims and distributions) – includes work such as communicating with creditors; dealing with creditors' claims; dealing with employees and liaising with the redundancy payments office; and where funds realised allow, paying dividends to creditors.
- Trading – includes work such as managing and controlling all aspects of the business; and preparing financial records and information relating to that 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	Rates per hour to 09/10/16 (£)	Rates per hour 10/10/16 - 07/07/19 (£)	Rates per hour from 08/07/19 (£)
Partner	325	350	450 - 650
Manager	200 - 250	250	350 - 400
Other Senior Professionals	160	200	200 - 250
Assistants & Support Staff	100 - 130	135 - 175	150 - 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.

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 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.

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 must deal (realisations and / or distributions). Different percentages can be used for different assets or types of assets. 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, 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 earlier. The report will also include details of the expenses that will be, or are likely to be, incurred.

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

The disclosure that we make will include sufficient information about the insolvency appointment to enable understanding of 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 fixed amount and different fixed amounts can be used for different tasks. A report accompanying any fee request will set out the fixed 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.

The disclosure that we make will include sufficient information about the insolvency appointment to enable understanding of 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

We do not envisage that we will include any other costs other than staff costs when requesting our fees on a fixed or percentage basis. All other costs required to be paid will be as an expense – however, if on an individual case this position changes this will be brought to the creditors attention.

Mixed Bases

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

Except for 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

In accordance with Statement of Insolvency Practice 9 (SIP9), 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 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: These are payments to persons providing the service to which the expense relates who are not an associate of the office holder.
- Category 2 expenses: These are payments to associates or which have an element of shared costs.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or Abbey Taylor Limited; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These expenses can be paid without prior approval 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 expenses are statutory advertising, external meeting room hire, external storage, specific bond insurance 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. These expenses require approval in the same manner as an office holder's remuneration, whether paid directly from the estate or as a disbursement. The practise may seek to recover the following category 2 expenses that include an element of shared costs:

Mileage	45p per mile
Photocopying	5p per sheet

Professional Advisors may be instructed to assist the office holder where they consider that such assistance is required to enable them to administer the case. The fees charged by any professional advisors will be recharged at cost. 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. Professional advisors that may be instructed on a case include:

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

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 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.

Provision of Services Regulations Summary Sheet for Abbey Taylor Limited

The following is designed to draw the attention of interested parties to the information required to be disclosed by the Provision of Services Regulations 2009.

Company Name: Abbey Taylor Limited

Company Type: Private Limited Company

Company Number: 04992674

Registered Office: Unit 6 Twelve O'Clock Court
21 Attercliffe Road
Sheffield
England
S4 7WW

Telephone Number: 0114 331 0000

Fax Number: 0114 331 0260

Email: info@abbeytaylor.co.uk

VAT Number: 836 3500 38

Insolvency Practitioners

Tracy Ann Taylor, Nicola Jane Kirk and Ruth Elizabeth Harris are licensed in the United Kingdom to act as Insolvency Practitioners by The Institute of Chartered Accountants in England and Wales (ICAEW). Copies of the relevant insolvency license certificates and bond schedules as proof of the security required under Section 390(3) of the Insolvency Act 1986 are available for inspection at our offices.

Tracy Ann Taylor, Nicola Jane Kirk and Ruth Elizabeth Harris are also members of the Insolvency Practitioners Association.

Rules Governing Actions

All Insolvency Practitioners are bound by the rules of their professional body, including any that relate specifically to insolvency. The rules of the professional body that licences Abbey Taylor Limited can be found at:

www.icaew.com/regulation/insolvency/sips-regulations-and-guidance/insolvency-licensing-regulations-and-guidance-notes

In addition, IPs are bound by the Statements of Insolvency Practice (SIPs), details of which can be found at www.r3.org.uk/technical-library/england-wales/sips

Ethics

All Insolvency Practitioners are required to comply with the Insolvency Code of Ethics and a copy of the Code can be found at:

www.icaew.com/regulation/insolvency/sips-regulations-and-guidance/insolvency-code-of-ethics

Bribery

Our Practice is committed to carrying on its business fairly, openly and honestly. Our business culture is one where bribery is never acceptable.

We are dedicated to upholding the principles and provisions of The Bribery Act 2010. The Act details offences include bribes paid anywhere in the world by UK citizens or residents, including bribes paid by legal persons as well as individuals. Some of the Act's provisions are relevant to UK businesses (companies and partnerships) operating overseas, and also to foreign businesses operating in the UK.

Governing Law and Jurisdiction

Abbey Taylor Limited undertakes its activities as an Insolvency Practitioner in accordance with the laws of England and Wales. Any disputes will be governed by and construed in accordance with the laws of England and Wales.

Professional Indemnity Insurance

Travelers Insurance Company Limited
One Creechurch Place
Creechurch Lane
London
EC3A 5AF

Tel: +44 (0) 020 3207 6000

This professional indemnity insurance provides worldwide coverage, excluding professional business undertaken within the United States of America, Canada and any country, territory or jurisdiction in which American or Canadian law (Federal, State or Provincial) is applicable or in which a judgment based upon such law may be enforceable in connection with such work.

Complaints

Abbey Taylor Limited always strives to provide a professional and efficient service. However, we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. As such, should you have any comments or complaints regarding the administration of a particular case, then in the first instance you should contact the Insolvency Practitioner acting as office holder.

If you consider that the Insolvency Practitioner has not dealt with your comments or complaint appropriately, you should then put details of your concerns in writing to the Complaints Officer at Abbey Taylor Ltd, Unit 6 12 O'clock Court, Attercliffe Road, Sheffield, S4 7WW. This will formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a senior partner unconnected with the appointment.

It is our belief that most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the Insolvency Practitioner concerned. Any such complaints should be addressed:

- In writing to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA
- Using an on-line form available at www.gov.uk/complain-about-insolvency-practitioner
- By emailing insolvency.enquiryline@insolvency.gov.uk
- By calling the Insolvency Service Enquiry Line on 0300 678 0015 (details of call charges can be found at www.gov.uk/call-charges)