

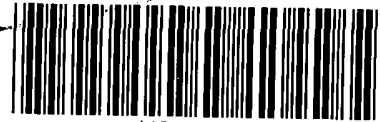
LIQ03

Notice of progress report in voluntary winding up



Companies House

WEDNESDAY



ABDZZQUZ

A08

05/10/2022

#216

COMPANIES HOUSE

1 Company details

Company number 0 6 8 9 0 3 0 1

Company name in full S&G Groundworks Limited

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

2 Liquidator's name

Full forename(s) C H I

Surname Moore

3 Liquidator's address

Building name/number Emerald House

Street 20-22 Anchor Road

Post town Aldridge

County/Region Walsall

Postcode W S 9 8 P H

Country

4 Liquidator's name ①

Full forename(s)

Surname

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

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

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

LIQ03

Notice of progress report in voluntary winding up

6 Period of progress report

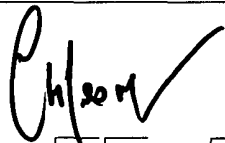
From date	^d 0	^d 6	^m 0	^m 8	^y 2	^y 0	^y 2	^y 1
To date	^d 0	^d 5	^m 0	^m 8	^y 2	^y 0	^y 2	^y 2

7 Progress report☒ The progress report is attached**8** Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 2	^d 9	^m 0	^m 8	^y 2	^y 0	^y 2	^y 2
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LIQ03

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 **Natasha Tapper**

Company name **K J Watkin & Co.**

Address **Emerald House**

20-22 Anchor Road

Post town **Aldridge**

County/Region **Walsall**

Postcode **WS9 8PH**

Country

DX

Telephone **01922 452881**

**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 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

S&G Groundworks Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

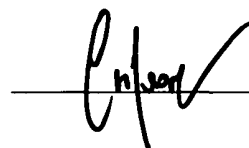
Statement of Affairs £	From 06/08/2021 To 05/08/2022 £	From 06/08/2019 To 05/08/2022 £
	ASSET REALISATIONS	
	Bank Interest Gross	18.51
900.00	Cash at Bank	11,400.00
9,500.00	Contract Debts and WIP	NIL
1,000.00	Motor Vehicles	NIL
200.00	Plant & Office Equipment	NIL
	Refunds	641.01
	<u>0.65</u>	<u>12,059.52</u>
	COST OF REALISATIONS	
	Office Holders Expenses	427.20
	Office Holders Fees	5,000.00
	Preparation of S. of A.	5,000.00
	<u>(5,000.00)</u>	<u>(10,427.20)</u>
	PREFERENTIAL CREDITORS	
(2,487.00)	Department of Employment	NIL
	<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS	
(5,449.00)	Department of Employment	NIL
(19,000.00)	Directors Loan Account - Mr D Gallana	NIL
(52.00)	HM Revenue & Customs - PAYE	NIL
(16,000.00)	HM Revenue & Customs - VAT	NIL
(39,467.00)	Trade & Expense Creditors	NIL
	<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS	
(2.00)	Ordinary Shareholders	NIL
	<u>NIL</u>	<u>NIL</u>
<u>(70,857.00)</u>	<u>(4,999.35)</u>	<u>1,632.32</u>
	REPRESENTED BY	
	Nat West Bank plc - Interest Bearing	632.32
	Vat Control Account	1,000.00
		<u>1,632.32</u>

Note:

This R&P account is prepared net of VAT.

DIVIDEND PROSPECTS:-

After taking into account asset realisations, together with fees and expenses incurred to date, together with estimated future realisations, fees and expenses, I think that it unlikely that I will be able to make a distribution to any class of creditor.



C H I Moore
Liquidator

LIQUIDATOR'S PROGRESS REPORT TO CREDITORS AND MEMBERS FOR THE YEAR ENDING 5 AUGUST 2022

S&G Groundworks Limited ("the Company") – In Creditors' Voluntary Liquidation

EXECUTIVE SUMMARY

After taking into account asset realisations, together with fees and expenses incurred to date, together with estimated future realisations, fees and expenses, I think that it is unlikely that I will be able to make a distribution to any class of creditor.

STATUTORY INFORMATION

Company name:	S&G Groundworks Limited
Registration number:	06890301
Principal Trading Address:	414 Beeches Road, Birmingham, B42 2QW
Registered Office:	Emerald House, 20-22 Anchor Road, Aldridge, Walsall, WS9 8PH
Principal trading activity:	Groundworks
Liquidator's names:	C H I Moore
Liquidator's address:	Emerald House, 20-22 Anchor Road, Aldridge, Walsall, WS9 8PH
Liquidator's contact details:	natasha@kjwatkin.co.uk and 01922 452881.
Date of appointment:	6 August 2019

LIQUIDATOR'S ACTIONS SINCE THE LAST PROGRESS REPORT

Since my appointment as Liquidator I have completed statutory duties as required.

I have completed a report into the conduct of the Directors which has been submitted.

I have instructed agents Naismiths Ltd to collect in contract debts and work in progress. This matter is ongoing.

I have instructed Deeley Matthews to recover and sell the Company's physical assets.

I have made the employees redundant and assisted them in their claims to the Redundancy Payments Office.

There is certain work that I am required by the insolvency legislation to undertake 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 contained in Appendix No. 1.

RECEIPTS AND PAYMENTS

My Receipts & Payments Account for the period from 6 August 2021 to 5 August 2022 and for the period from 6 August 2019 to 5 August 2022 is attached. All amounts are shown net of VAT. I have reconciled the account against the financial records that I am required to maintain.

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

ASSETS

	Statement of Affairs Estimated to realise	Realised to date
	£	£
Plant and Office Equipment	200.00	-
Motor Vehicles	1,000	-
Contract Debts and WIP	9,500	-
Cash at Bank	900	11,400.00
Bank Interest Gross	-	18.51
Refunds	-	641.01

PRE-APPOINTMENT FEES

The Board previously authorised the payment of a fee of £5,000 for my assistance with preparing the Statement of Affairs and arranging the deemed consent procedure for creditors to appoint a Liquidator.

The fee for preparing the Statement of Affairs and arranging the deemed consent procedure for creditors to appoint a Liquidator was paid from first realisations on appointment and is shown in the enclosed receipts and payments account.

My time costs for undertaking the pre-appointment work were £11,765.00.

LIQUIDATOR'S REMUNERATION

My remuneration was approved by the creditors on 5 September 2019 on a time cost basis based on a fees estimate of £25,840.00. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors. My total time costs to 5 August 2022 amount to £31,497.00, representing 134.00 hours of work at a blended charge out rate of £235.05 per hour, of which £2,126.50, representing 9.60 hours of work, was charged in the period since 5 August 2021, at a blended charge out rate of £221.51 per hour. The actual blended charge out rate incurred compares with the estimated blended charge out rate of £274.89 in my fees estimate.

I have drawn £5,000.00 to 5 August 2022 all of which was drawn in the period since 5 August 2021.

A detailed schedule of my time costs incurred to 5 August 2022 and since 5 August 2021 compared with my original fees estimate is attached.

As you can see from the information provided in this report, the total time costs I have incurred in this matter, in respect of the categories of work for which I am being remunerated on a time cost basis, have exceeded the total estimated remuneration I set out in my fees estimate when my remuneration was authorised by the creditors. However, I have not drawn remuneration in excess of my fees estimate.

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 are attached and can be accessed at www.ips-docs.com. 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 attached and can be accessed at www.ips-docs.com.

LIQUIDATOR'S 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 category 1 expenses since the last progress report:

Nature of category 1 expense	Amount incurred/ accrued in reporting period	Amount incurred/ accrued in total	Amount unpaid
Statutory Advertising	-	£243.00	-
Specific Penalty Bond	-	£150.00	-
Total	-	£393.00	-

I have paid category 1 expenses of £393.00 to date, of which £Nil was paid in the reporting period, as indicated in the attached receipts and payments account.

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

Professional Advisor	Nature of Work	Basis of Fees
Deeley Matthews	Valuer/Auctioneer	Time costs
Naismiths Ltd	Quality Surveyors	Time costs

My choice of professional advisors was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also confirmed that they hold appropriate regulatory authorisations. I have reviewed the fees they have charged and am satisfied that they are reasonable in the circumstances of this case and represents value for money.

Category 2 expenses

I am required to seek approval before I can pay any expenses to associates, or pay expenses where there is an element of shared costs, which are known as category 2 expenses. I have obtained approval to pay the following category 2 expenses. I have incurred the following category 2 expenses since the last progress report:

Nature of category 2 expense	Amount incurred/ accrued in reporting period	Amount incurred/ accrued in total	Amount unpaid
Travel	-	£34.20	-
Total	-	£34.20	-

I have paid category 2 expenses of £34.20 to date, of which £Nil was paid in the reporting period, as indicated in the attached receipts and payments account.

Comparison of estimated expenses with actual expenses incurred

Nature of expense	Estimated expenses	Expenses incurred to date
Statutory Advertising	£160.00	£243.00
Specific Penalty Bond	£400.00	£150.00
Travel	£30.00	£34.20
Total	£590.00	£427.20

As you can see above, the total expenses I have incurred to date are in line with the total expenses I estimated I would incur when my remuneration was approved and I do not expect to exceed my estimate of expenses.

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.

Preferential Creditors

The Statement of Affairs anticipated £2,487 in preferential creditors.

Crown Creditors

The Statement of Affairs included £16,052 owed to HMRC.

Non-preferential unsecured Creditors

The Statement of Affairs included 11 non-preferential unsecured creditors with an estimated total liability of £69,018.00. I have not received any claims from creditors with original estimated claims in the Statement of Affairs of £69,018.00.

DIVIDEND PROSPECTS

Preferential Creditors

After taking into account asset realisations, together with fees and expenses incurred to date, together with estimated future realisations, fees and expenses, I think that it is unlikely that I will be able to pay any dividend to preferential creditors.

Non-preferential unsecured Creditors

After taking into account asset realisations, together with fees and expenses incurred to date, together with estimated future realisations, fees and expenses, I think that it is unlikely that I will be able to pay any dividend to non-preferential unsecured creditors.

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 Liquidator's 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.

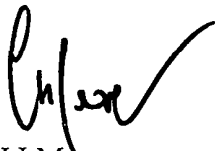
An unsecured creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Liquidator as being excessive, and/or the basis of the Liquidator's 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 K J Watkin & Co. can be found in the attached summary sheet and at www.ips-docs.com.

SUMMARY

The Liquidation will remain open until realisation of assets has been completed. Once resolved the Liquidation will be 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 Natasha Tapper on 01922 452881, or by email at natasha@kjwatkin.co.uk.

A handwritten signature in black ink, appearing to read 'CHI Moore', with a large, sweeping checkmark-like flourish extending from the end.

C H I Moore
Liquidator

Appendix No. 1 Details of Work undertaken in the reporting period

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 an office holder must follow.

Case planning - devising an appropriate strategy for dealing with the case and giving instructions to staff to undertake the work on the case.

Setting up physical and electronic case files.

Setting up the case on the practice's electronic case management system and entering data.

Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.

Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder must obtain for each insolvency appointment).

Convening a decision procedure to seek a decision from creditors to approve the basis of remuneration.

Supervising the work of advisors instructed on the case to assist in dealing with pension schemes; obtaining reports and updates from them on the work done; and checking the adequacy of the work done.

Dealing with all routine correspondence and emails relating to the case.

Opening, maintaining and managing the estate bank account.

Creating, maintaining and managing a cashbook.

Undertaking regular bank reconciliations of the estate bank account.

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.

Realisation of assets

This represents the work involved in the protection and realisation of assets, which is undertaken directly for the benefit of creditors.

Arranging suitable insurance over assets.

Regularly monitoring the suitability and appropriateness of the insurance cover in place.

Corresponding with debtors and attempting to collect outstanding book debts.

Supervising the work of advisors instructed on the case to assist in dealing with the collection of book debts; obtaining reports and updates from them on the work done; and checking the adequacy of the work done.

Liaising with the bank regarding the closure of the account.

Instructing agents to value assets.

Creditors

Claims of creditors - the office holder needs 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 can be issued to the creditors. The office holder also needs to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of their statutory functions.

Employees - The office holder needs to deal with the ex-employees in order to ensure that their claims are processed appropriately by the Redundancy Payments Service. The office holder is required to undertake this work as part of their statutory functions.

Obtaining information from the case records about employee claims.

Completing documentation for submission to the Redundancy Payments Service.

Corresponding with employees regarding their claims.

Supervising the work of advisors instructed on the case to assist in dealing with employee claims; obtaining reports and updates from them on the work done; and checking the adequacy of the work done.

Liaising with the Redundancy Payments Service regarding employee claims.

Dealing with creditor correspondence, emails and telephone conversations regarding their claims.

Maintaining up to date creditor information on the case management system.

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.

Recovering the books and records for the case.

Listing the books and records recovered.

Submitting an online return on the conduct of the Directors as required by the Company Directors Disqualification Act.

Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.

S&G Groundworks Limited
(In Liquidation)
Liquidator's Summary of Receipts and Payments

RECEIPTS	Statement of Affairs (£)	From 06/08/2019 To 05/08/2021 (£)	From 06/08/2021 To 05/08/2022 (£)	Total (£)
Plant & Office Equipment	200.00	0.00	0.00	0.00
Motor Vehicles	1,000.00	0.00	0.00	0.00
Contract Debts and WIP	9,500.00	0.00	0.00	0.00
Cash at Bank	900.00	11,400.00	0.00	11,400.00
Bank Interest Gross		17.86	0.65	18.51
Refunds		641.01	0.00	641.01
		12,058.87	0.65	12,059.52
PAYMENTS				
Preparation of S. of A.		5,000.00	0.00	5,000.00
Office Holders Fees		0.00	5,000.00	5,000.00
Office Holders Expenses		427.20	0.00	427.20
Department of Employment	(2,487.00)	0.00	0.00	0.00
Trade & Expense Creditors	(39,467.00)	0.00	0.00	0.00
Department of Employment	(5,449.00)	0.00	0.00	0.00
Directors Loan Account - Mr D Gallanagh	(19,000.00)	0.00	0.00	0.00
HM Revenue & Customs - PAYE	(52.00)	0.00	0.00	0.00
HM Revenue & Customs - VAT	(16,000.00)	0.00	0.00	0.00
Ordinary Shareholders	(2.00)	0.00	0.00	0.00
		5,427.20	5,000.00	10,427.20
Net Receipts/(Payments)		6,631.67	(4,999.35)	1,632.32
MADE UP AS FOLLOWS				
Nat West Bank plc - Interest Bearing		6,631.67	(5,999.35)	632.32
VAT Receivable / (Payable)		0.00	1,000.00	1,000.00
		6,631.67	(4,999.35)	1,632.32

Note:

This R&P account is prepared net of VAT.

DIVIDEND PROSPECTS:-

After taking into account asset realisations, together with fees and expenses incurred to date, together with estimated future realisations, fees and expenses, I think that it unlikely that I will be able to make a distribution to any class of creditor.

SIP 9 - Time & Cost Summary

Period: 06/08/19..05/08/22

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	4.00	0.00	80.50	7.10	91.60	21,114.50	230.51
Investigations	2.90	0.00	14.80	0.80	18.50	4,686.50	253.32
Realisations of assets	1.70	0.00	4.00	0.00	5.70	1,654.50	290.26
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	17.20	1.00	18.20	4,041.50	222.06
Case specific matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	8.60	0.00	116.50	8.90	134.00	31,497.00	235.05
Total Fees Claimed						5,000.00	

SIP 9 - Time & Cost Summary

Period: 06/08/21..05/08/22

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	0.00	7.20	1.60	8.80	1,970.50	223.92
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	0.40	0.40	0.80	156.00	195.00
Case specific matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	0.00	0.00	7.60	2.00	9.60	2,126.50	221.51
Total Fees Claimed						5,000.00	

Appendix 2

K J Watkin & Co.

Office Holder's fee estimate summary

Case name: S&G Groundworks Limited

Date of report: 8 August 2019

The office holder is seeking to be remunerated on a time cost basis. We use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform, recording time spent in six minute units. Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work. In this document the estimated time that will be spent from his appointment to the closure of the case that will be spent undertaking the work in each category has been multiplied by the applicable charge out rate for each member of staff that it is anticipated will undertake work in that category to arrive at the estimated total time costs attributable to that category of work on the case. The sum of all the estimates for the different categories of work is the total estimated time costs to undertake all the necessary work on the case.

Time costs are set out on the attached 'Practise Fee and Recovery Policy for K J Watkin & Co.' Fee and expense rates are subject to review on 1 January of each year.

	Partner Hours	Senior Manager Hours	Manager Hours	Cashier Hours	Senior Administrator Hours	Administrator Hours	Support Staff Hours	Total Hours
Classification of work function								
Administration & planning	15.00			5.00	10.00	5.00	5.00	40.00
Investigations	5.00				8.00	3.00		16.00
Realisation of assets	5.00				10.00			15.00
Trading								0.00
Creditors	5.00				8.00	5.00	5.00	23.00
Total Hours	<u>30.00</u>	<u>0.00</u>	<u>0.00</u>	<u>5.00</u>	<u>36.00</u>	<u>13.00</u>	<u>10.00</u>	<u>94.00</u>
Current Charge-Out Rates (£)	450.00	365.00	310.00	225.00	225.00	155.00	110.00	Blended Rate 274.89
Total predicted fees (£)	<u>13,500.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,125.00</u>	<u>8,100.00</u>	<u>2,015.00</u>	<u>1,100.00</u>	<u>25,840.00</u>

Note: This estimate has been provided to creditors at an early stage in the administration of the case and before the office holder has full knowledge of the case. Whilst all possible steps have been taken to make this estimate as accurate as possible, it is based on the office holder's current knowledge of the case and his knowledge and experience of acting as office holder in similar cases. As a result, the estimate does not take into account any currently unknown complexities or difficulties that may arise during the administration of the case.

If the time costs incurred on the case by the office holder exceed the estimate, or is likely to exceed the estimate, the office holder will provide an explanation as to why that is the case in the next progress report sent to creditors. Since the office holder cannot draw remuneration in excess of this estimate without first obtaining approval to do so, then where the office holder considers it appropriate in the context of the case, he will seek a resolution to increase the fee estimate so that he will then be able to draw additional remuneration over and above this estimate.



LIQUIDATION: A GUIDE FOR CREDITORS ON INSOLVENCY PRACTITIONER FEES

ENGLAND AND WALES

1 Introduction

- 1.1 When a company goes into liquidation the costs of the proceedings are paid out of its assets. The creditors, who hope to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as liquidator. The insolvency legislation recognises this interest by providing mechanisms for creditors to fix the basis of the liquidator's fees (also referred to in this guide as 'remuneration'). This guide is intended to help creditors be aware of their rights to approve and monitor fees, explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the liquidator and challenge those they consider to be excessive.

2 Liquidation procedure

- 2.1 Liquidation (or 'winding up') is the most common type of corporate insolvency procedure. Liquidation is the formal winding up of a company's affairs entailing the realisation of its assets and the distribution of the proceeds in a prescribed order of priority. Liquidation may be either voluntary, when it is instituted by resolution of the shareholders, or compulsory, when it is instituted by order of the court.
- 2.2 Voluntary liquidation is the more common of the two. An insolvent voluntary liquidation is called a creditors' voluntary liquidation (often abbreviated to 'CVL'). In this type of liquidation an insolvency practitioner acts as liquidator throughout and the creditors can participate in the appointment of the liquidator. A solvent liquidation is called a members' voluntary liquidation. It should be noted that this guide does not extend to members' voluntary liquidations as the fees in these cases are not determined by the creditors.
- 2.3 In a compulsory liquidation, the function of the liquidator is, in most cases, initially performed not by an insolvency practitioner but by an official called the official receiver. The official receiver is an officer of the court and an official belonging to The Insolvency Service. In most compulsory liquidations, the official receiver becomes liquidator immediately on the making of the winding-up order. Where the specialist skills of an insolvency practitioner are required or the majority of creditors request the appointment of an insolvency practitioner, an insolvency practitioner will usually be appointed to act as liquidator in place of the official receiver. Where an insolvency practitioner is not appointed the official receiver remains as liquidator.
- 2.4 Where a compulsory liquidation follows immediately on an administration the court may appoint the former administrator to act as liquidator. In such cases the official receiver does not become liquidator. An administrator may also subsequently act as liquidator in a CVL.

3 The liquidation committee

- 3.1 In a liquidation (whether voluntary or compulsory) the creditors have the right to appoint a committee called the liquidation committee, with a minimum of 3 and a maximum of 5 members, to monitor the conduct of the liquidation and approve the liquidator's fees. An invitation to decide on whether a committee is to be established will be sent to creditors at the same time as a decision is sought on the appointment of a liquidator. In cases where a liquidation follows immediately on an administration any committee established for the purposes of the administration will continue in being as the liquidation committee.



- 3.2 The liquidator must call the first meeting of the committee within 6 weeks of its establishment and subsequent meetings must be held either at specified dates agreed by the committee, or when requested by a member of the committee, or when the liquidator decides they need to hold one. The liquidator is required to report to the committee at least every 6 months on the progress of the liquidation, unless the committee directs otherwise. This provides an opportunity for the committee to monitor and discuss the progress of the insolvency and the level of the liquidator's fees.

4 Fixing the liquidator's fees

4.1 Basis

- 4.1.1 The basis for fixing the liquidator's fees is set out in Rule 18.16 of the Insolvency (England and Wales) Rules 2016. This Rule states that the basis of fees must be fixed:

- as a percentage of the value of the assets which are realised, distributed or both, by the liquidator
- by reference to the time properly given by the liquidator and their staff in attending to matters arising in the liquidation, or
- as a set amount.

- 4.1.2 Any combination of these bases may be used to fix the fees and different bases may be used for different things done by the liquidator. Where the fee is fixed as a percentage, different percentages may be used for different things done by the liquidator.

- 4.1.3 Where remuneration is sought on more than one basis by the liquidator, it should be clearly stated to which part of the liquidator's activities each basis relates.

- 4.1.4 Payments to a liquidator from a liquidation should be fair and reasonable reflections of the work necessarily and properly undertaken in respect of the liquidator's appointment. These payments should not be approved by any party with whom the liquidator has a professional or personal relationship which gives rise to a conflict of interest. Those responsible for approving payments from a liquidation to a liquidator or their associates should be provided with sufficient information to enable them to make an informed judgement about the reasonableness of the liquidator's requests.

- 4.1.5 Information provided by the liquidator should be presented in a manner which is transparent, consistent throughout the life of the appointment and useful to creditors and other interested parties, whilst being proportionate to the circumstances of the appointment.

4.2 Advance information where fees are not based on time costs

- 4.2.1 Prior to the determination of the basis of fees, the liquidator must give the creditors details of the work the liquidator proposes to undertake, and the expenses they consider will be, or are likely to be, incurred.

4.3 Fees estimates where fees are to be based on time costs

- 4.3.1 Where the liquidator proposes to take fees based on time costs, they must first provide the creditors with detailed information in the form of a 'fees estimate'. A fees estimate is a written estimate that specifies –



- details of the work the liquidator and their staff propose to undertake;
 - the hourly rate or rates the liquidator and their staff propose to charge for each part of that work;
 - the time the liquidator anticipates each part of that work will take;
 - whether the liquidator anticipates it will be necessary to seek approval or further approval under the Rules; and
 - the reasons it will be necessary to seek such approval.
- 4.3.2 When providing a fees estimate, the liquidator should supply that information in sufficient time for creditors (including when acting through a committee) to be able to make an informed judgement about the reasonableness of the liquidator's requests. Fees estimates should be based on all of the information available to the liquidator at the time that the estimate is provided.
- 4.3.3 In addition, the liquidator must give the creditors details of the expenses they consider will be, or are likely to be, incurred.
- 4.4 Who fixes the fees?**
- 4.4.1 It is for the liquidation committee (if there is one) to determine on which of these bases, or combination of bases, the fees are to be fixed. Where it is fixed as a set amount or a percentage, it is for the committee to determine the amount, percentage or percentages to be applied. Rule 18.16 says that in arriving at its decision the committee shall have regard to the following matters:
- the complexity (or otherwise) of the case;
 - any responsibility of an exceptional kind or degree which falls on the liquidator in connection with the insolvency;
 - the effectiveness with which the liquidator appears to be carrying out, or to have carried out, their duties;
 - the value and nature of the property with which the liquidator has to deal.
- 4.4.2 If there is no liquidation committee, or the committee does not make the requisite determination, the liquidator's fees may be fixed by a decision of the creditors by a decision procedure. The creditors take account of the same matters as apply in the case of the committee.
- 4.4.3 If the fees are not fixed as above, it will be fixed in one of the following ways. In a CVL, it will be fixed by the court on application by the liquidator, but the liquidator may not make such an application unless they have first tried to get their fees fixed by the committee or creditors as described above, and in any case not later than 18 months after their appointment. In a compulsory liquidation, it will be calculated in accordance with a scale set out in the Rules.
- 4.4.4 Where the liquidation follows directly on from an administration in which the liquidator had acted as administrator, the basis of fees fixed in the administration continues to apply in the liquidation.



5. Review of fees

- 5.1 Where there has been a material and substantial change in circumstances since the basis of the liquidator's fees was fixed, the liquidator may request that it be changed. The request must be made to the same body as initially approved the fees, and the same rules apply as to the original approval.

6 What information should be provided by the liquidator?

6.1 General principles

- 6.1.1 The liquidator should provide those responsible for approving the fees with sufficient information to enable them to make an informed judgement about the reasonableness of the liquidator's request. The information should be presented in a manner which is transparent, consistent throughout the life of the case and useful to creditors, while being proportionate to the circumstances of the case.
- 6.1.2 The liquidator should provide an indication of the likely return to creditors when seeking approval for the basis of their remuneration.
- 6.1.3 The liquidator should disclose:
- a) all payments arising from the insolvency appointment to the liquidator or their associates;
 - b) the form and nature of any professional or personal relationships between the liquidator and their associates.
- 6.1.4 The liquidator should inform creditors and other interested parties of their rights under insolvency legislation, and should advise them how they may access suitable information setting out their rights within the first communication with them and in each subsequent report. An insolvency practitioner may provide information, including a fees estimate, within pre-appointment communications (such as when assisting directors in commencing a liquidation).
- 6.1.5 Where the liquidator sub-contracts work that could otherwise be carried out by the liquidator or their staff, this should be drawn to the attention of creditors and other interested parties with an explanation of why it is being done, what is being done, and how much it will cost.

6.2 Key issues

- 6.2.1 The key issues of concern to those with a financial interest in the level of payments from the insolvency estate will commonly be:
- the work the liquidator anticipates will be done, and why that work is necessary;
 - the anticipated payment for that work;
 - whether it is anticipated that the work will provide a financial benefit to creditors, and if so what anticipated benefit (or if the work provided no direct financial benefit, but was required by statute);
 - the work actually done and why that work was necessary;
 - the actual payment for the work;
 - whether the work has provided a financial benefit to creditors, and if so what benefit (or if the work provided no direct financial benefit, but was required by statute).

Liquidation: A Guide for Creditors on Insolvency Practitioners Fees
(Version 1 April 2021)

Whilst every care has been taken in its preparation, this guide is intended for general guidance only, and does not constitute legal advice.



- 6.2.2 When providing information about payments from the liquidation, the liquidator should do so in a way which clearly explains the key issues. Narrative explanations should be provided to support any numerical information supplied. Such an approach allows creditors and other interested parties to better recognise the nature of a liquidator's role and the work they intend to undertake, or have undertaken, in accordance with the key issues.
- 6.2.3 When approval for a set fee or a percentage basis is sought, the liquidator should explain why the basis requested is expected to produce a fair and reasonable reflection of the work that the liquidator anticipates will be undertaken. Where a set amount or a percentage basis is being used, an explanation should be provided of the direct costs included. The liquidator should not seek to separately recover sums already included in a set amount or percentage basis fee and should be transparent in presenting any information.
- 6.3 Fee estimates**
- 6.3.1 When providing a fees estimate of time to be spent, creditors and other interested parties may find a blended rate (or rates) and total hours anticipated to be spent on each part of the anticipated work more easily understandable and comparable than detail covering each grade or person working on the appointment. The estimate should also clearly describe what activities are anticipated to be conducted in respect of the estimated fee.
- 6.3.2 The information provided in the fees estimate may not be presented on the basis of alternative scenarios or provide a range of estimated charges. However, for other payments that the liquidator anticipates will be, or are likely to be, made, it is acceptable to provide a range or repeat a range quoted by a third party, for example legal costs in litigation in any expense estimates.
- 6.4 Expenses**
- 6.4.1 Expenses are any payments from the liquidation which are neither a liquidator's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements. Disbursements are payments which are first met by the liquidator, and then reimbursed to the liquidator from the liquidation.
- 6.4.2 Expenses are divided into those that do not need approval before they are charged to the liquidation (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 liquidator. Category 1 expenses can be paid without prior approval.
 - Category 2 expenses: These 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 a liquidator's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.
- 6.4.3 When seeking approval of category 2 expenses, the liquidator should explain, for each expense, the basis on which the expense is being charged to the liquidation. If the liquidator has obtained approval for the basis of category 2 expenses, that basis may continue to be used in a sequential appointment where further approval of the basis of remuneration is not required, or where the liquidator is replaced.



6.4.4 Any shared or allocated payments incurred by the liquidator or their firm are to be treated as category 2 expenses and approval sought before payment.

6.4.5 The following are not permissible as either remuneration or an expense:

- a) an expense or any other charge calculated as a percentage of remuneration;
- b) an administration fee or charge additional to a liquidator's remuneration;
- c) the recovery of any overheads other than those absorbed in the charge out rates.

6.5 Payment of pre-appointment expenses

6.5.1 The following categories of expenses may be paid out of the company's assets, either before or after the commencement of the liquidation, as an expense of the liquidation:

- any reasonable and necessary expenses of preparing the statement of affairs
- any reasonable and necessary expenses of the decision procedure or deemed consent procedure to seek a decision from the creditors on the nomination of a liquidator

6.5.2 If payment has not been made pre-commencement of the liquidation, payment may not be made to the liquidator or any associate of the liquidator, otherwise than with the approval of the liquidation committee, creditors or the court.

6.5.3 Disclosure should be made of amounts already paid to the liquidator in respect of pre-appointment costs, giving the amounts paid, the name of the payer, and its relationship to the estate and the nature of the payment.

6.5.4 Disclosure should follow the principles and standards as set out in this Guidance.

6.6 Realisations for secured creditors

6.6.1 Where the liquidator realises an asset on behalf of a secured creditor and receives remuneration out of the proceeds (see paragraph 12.1 below), they should disclose the amount of that remuneration in any reports they send to creditors.

7. Exceeding the amount set out in the fees estimate

7.1 Fees cannot be drawn in excess of the fees estimate without approval by the body which fixed the original basis of the fee. The request for approval must specify –

- the reason why the liquidator has exceeded, or is likely to exceed, the fees estimate;
- the additional work the liquidator has undertaken or proposes to undertake;
- the hourly rate or rates the liquidator proposes to charge for each part of that additional work;
- the time that additional work has taken or the liquidator anticipates that work will take;



- whether the liquidator anticipates that it will be necessary to seek further approval; and
- the reasons it will be necessary to seek further approval.

8. Progress reports and requests for further information

8.1 The liquidator is required to send annual progress reports to creditors. In addition to the items described above and especially those in paragraph 6.2.1, the reports must include:

- details of the basis fixed for the fee of the liquidator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it);
- if the basis has been fixed, the fee charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report);
- if the report is the first to be made after the basis has been fixed, the fee charged during the periods covered by the previous reports, together with a description of the things done during those periods, irrespective of whether payment was actually made during the period of the report;
- if the fees have been fixed on a time costs basis, the actual hours and average rate (or rates) of the costs charged for each part of the work;
- a statement of the expenses incurred by the liquidator during the period of the report, irrespective of whether payment was actually made during that period;
- details of progress during the period of the report, including a summary of the receipts and payments during the period;
- details of what needs to be done;
- where appropriate, a statement setting out whether, at the date of the report –
 - the fee expected to be charged is likely to exceed the fees estimate or any approval given;
 - the expenses incurred or expected to be incurred are likely to exceed, or have exceeded, the details given to the creditors prior to the determination of the basis of fees; and
 - the reason for that excess.
- a statement of the creditors' rights to request further information, as explained in paragraph 8.2, and their right to challenge the liquidator's fees and expenses.

8.2 Within 21 days of receipt of a progress report, a creditor may request the liquidator to provide further information about the fees and expenses set out in the report. A request must be in writing and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including themselves) or the permission of the court.

8.3 The liquidator must provide the requested information within 14 days, unless they consider that:



- the time and cost involved in preparing the information would be excessive, or
- disclosure would be prejudicial to the conduct of the liquidation or might be expected to lead to violence against any person, or
- the liquidator is subject to an obligation of confidentiality in relation to the information requested,

in which case the liquidator must give the reasons for not providing some or all of the information.

- 8.4 Any creditor may apply to the court within 21 days of the liquidator's refusal to provide the requested information, or the expiry of the 14 days' time limit for the provision of the information.

9. Provision of information – additional requirements

- 9.1 *The liquidator must provide certain information about the time spent on the case, free of charge, upon request by any creditor, director or shareholder of the company.*

- 9.2 The information which must be provided is –

- the total number of hours spent on the case by the liquidator or staff assigned to the case;
- for each grade of staff, the average hourly rate at which they are charged out;
- the number of hours spent by each grade of staff in the relevant period.

- 9.3 The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the liquidator's appointment, or where they have vacated office, the date that they vacated office.

- 9.4 The information must be provided within 28 days of receipt of the request by the liquidator, and requests must be made within two years from vacation of office.

- 9.5 Requests for additional information about payments should be viewed upon their individual merits and treated by the liquidator in a fair and reasonable way. The provision of additional information should be proportionate to the circumstances of the appointment.

10. What if a creditor is dissatisfied?

- 10.1 Except in cases where there is a liquidation committee it is the creditors as a body who have authority to approve the liquidator's fees.

- 10.2 If a creditor believes that the liquidator's fees are excessive, the basis is inappropriate, or the expenses incurred by the liquidator are in all the circumstances excessive, the creditor may, provided certain conditions are met, apply to the court.

- 10.3 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including themselves) agree, or they have the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the liquidator's progress report in which the charging of the fees or incurring of the expenses in question is first reported (see paragraph 8.1 above). If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the liquidator a copy of the application and supporting evidence at least 14 days before the hearing.



- 10.4 If the court considers the application well founded, it may order that the fees be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not out of the assets of the insolvent company.
- 10.5 On receipt of the liquidator's final account, creditors have 8 weeks in which they may challenge the liquidator's fees and expenses as set out above.
- 11. What if the liquidator is dissatisfied?**
- 11.1 If the liquidator considers that the fee fixed by the liquidation committee, or in the preceding administration, is insufficient or that the basis used to fix it is inappropriate, the liquidator may request that the amount or rate be increased, or the basis changed, by decision of the creditors. If the liquidator considers that the fees fixed by the liquidation committee or the creditors, or in the preceding administration or in accordance with the statutory scale is insufficient, or that the basis used to fix it is inappropriate, they may apply to the court for the amount or rate to be increased or the basis changed. If the liquidator decides to apply to the court, they must give at least 14 days' notice to the members of the committee and the committee may nominate one or more of its members to appear or be represented at the court hearing. If there is no committee, the liquidator's notice of application must be sent to such of the creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid out of the assets.
- 12 Other matters relating to fees**
- 12.1 Where the liquidator realises assets on behalf of a secured creditor, the liquidator is entitled to be remunerated out of the proceeds of sale in accordance with a scale set out in the Rules. Usually, however, the liquidator will agree the basis of their fee for dealing with charged assets with the secured creditor concerned.
- 12.2 Where two (or more) joint liquidators are appointed it is for them to agree between themselves how the fee payable should be apportioned. Any dispute between them may be referred to the court, the committee or the creditors.
- 12.3 If a new liquidator is appointed in place of another, any determination, decision or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new liquidator until a further determination, decision or court order is made.
- 12.4 Where the basis of the fees is a set amount, and the liquidator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing liquidator. The application must be made to the same body as approved the fees. Where the outgoing liquidator and the incoming liquidator are from the same firm, they will usually agree the apportionment between them.
- 12.5 There may also be occasions when creditors will agree to make funds available themselves to pay for the liquidator to carry out tasks which cannot be paid for out of the assets, either because they are deficient or because it is uncertain whether the work undertaken will result in any benefit to creditors. Arrangements of this kind are sometimes made to fund litigation or investigations into the affairs of the insolvent company. Any arrangements of this nature will be a matter for agreement between the liquidator and the creditors concerned and will not be subject to the statutory rules relating to remuneration.



- 12.6 Where realisations are sufficient for creditors to be paid in full with interest, the creditors will not have the principal financial interest in the level of payments from the estate. Once this has been established by the liquidator, they should provide the beneficiaries of the anticipated surplus, on request, with information in accordance with the principles and standards set out above.

13. Effective date

- 13.1 This guide applies where a liquidator is appointed on or after 1 October 2015, or where information is provided by the liquidator about fees, expenses or other payments after 6 April 2017.

- 13.2 *Please note that insolvency practitioners were subject to different regulatory requirements prior to 1 April 2021. Therefore, information provided by insolvency practitioner prior to that date may vary slightly to the information required as set out in this guide.*

PRACTICE FEE RECOVERY POLICY FOR K J WATKIN & CO.

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 <https://www.icaew.com/en/technical/insolvency/insolvency-regulations-and-standards/statements-of-insolvency-practice-sips-england>. Alternatively a hard copy may be requested from C H I Moore of K J Watkin & Co. Please note that we have provided further details in this policy document.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn. If approval has been obtained for remuneration on a time costs basis, i.e. by reference to time properly spent by members of staff of the practice at our standard charge out rates, the time incurred will also be disclosed, whether drawn or not, together with the average, or "blended" rates of such costs. Under the legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

Time cost basis

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

Chargeout Rates

Grade of staff	Current charge-out rate per hour, effective from 2022 £	Previous charge-out rate per hour, effective from 2021 £
Partner	480	460
Senior Manager	395	375
Manager	330	315
Assistant Manager	290	275
Cashier	245	230
Senior Administrator	245	230
Administrator	170	160
Support Staff	125	115

These charge-out rates charged are reviewed on 1 January each year 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.

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. 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. 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 K J Watkin & Co.; 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 internal room hire, internal storage and mileage.

It is proposed that the following Category 2 disbursements are recovered:

Mileage	45p per mile
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PROVISION OF SERVICES REGULATIONS SUMMARY SHEET FOR K J WATKIN & CO.

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

The Practice

K J Watkin & Co. is a sole proprietorship with the trading style of C H I Moore t/a K J Watkin & Co and trading from Emerald House, 20-22 Anchor Road, Aldridge, Walsall WS9 8PH.

Licensing Body

Mr C H I Moore is licensed to act as an Insolvency Practitioner in the United Kingdom by the Institute of Chartered Accountants in England and Wales (ICAEW).

Rules Governing Actions

All IPs are bound by the rules of their professional body, including any that relate specifically to insolvency. The rules of the professional body that licences K J Watkin & Co.'s IP can be found at <http://www.icaew.com/en/members/regulations-standards-and-guidance/insolvency/insolvency-regulations-and-guidance>. In addition, IPs are bound by the Statements of Insolvency Practice (SIPs), details of which can be found at <https://www.r3.org.uk/technical-library/england-wales/sips/>.

Ethics

All IPs are required to comply with the Insolvency Code of Ethics and a copy of the Code can be found at <http://www.icaew.com/en/technical/insolvency/insolvency-regulations-and-standards>.

Complaints

At K J Watkin & Co. we always strive 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 IP acting as office holder.

If you consider that the IP has not dealt with your comments or complaint appropriately you should then put details of your concerns in writing to our complaints officer Mr C H I Moore, K J Watkin & Co., Emerald House, 20-22 Anchor Road, Aldridge, Walsall WS9 8PH. This will then 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.

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 to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an on-line form available at www.gov.uk/complain-about-insolvency-practitioner; or you can email insolvency.enquiryline@insolvency.gov.uk; or you may telephone 0300 678 0015. Information on the call charges that apply is available at <https://www.gov.uk/call-charges>.

Professional Indemnity Insurance

K J Watkin & Co.'s Professional Indemnity Insurance is provided by Liberty Mutual Insurance Europe SE, 5-7 rue Léon Laval, L-3372 Leudelange, Grand Duchy of Luxembourg. This professional indemnity insurance provides worldwide coverage.

VAT

K J Watkin & Co. is registered for VAT under registration no. 559 3875 84.

Bribery Act 2010

K J Watkin & Co. is committed to applying the highest standards of ethical conduct and integrity in its business activities. Every employee and individual acting on K J Watkin & Co.'s behalf is responsible for maintaining our reputation and for conducting company business honestly and professionally.

K J Watkin & Co. take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate.

K J Watkin & Co. requires all those who are associated with it to observe the highest standards of impartiality, integrity and objectivity.

K J Watkin & Co. prohibits anyone acting on its behalf from:

- bribing another person. A bribe includes the offering, promising or giving of any financial or other type of advantage;
- accepting a bribe. This includes requesting, agreeing to receive or accepting any financial, or another kind of advantage;
- bribing a foreign public official; and
- condoning the offering or acceptance of bribes.

K J Watkin & Co. will:

- avoid doing business with others who do not accept our values and who may harm our reputation;
- maintain processes, procedures and records that limit the risk of direct or indirect bribery;
- promote awareness of this policy amongst its staff, those acting on its behalf and entities with which it has any commercial dealings;
- investigate all instances of alleged bribery, and will assist the police, and other authorities when appropriate, in any resultant prosecutions. In addition, disciplinary action will be considered against individual members of staff;
- review this policy regularly and update it when necessary.

Data Protection

During the course of K J Watkin & Co.'s engagement with the Company prior to the formal appointment of an officeholder, the Board and/or the shareholders of the Company may disclose personal data to us in order that we may provide our services to the Company. The processing of personal data is regulated in the UK by the General Data Protection Regulation EU 2016/679, as supplemented by the Data Protection Act 2018, together with other laws which relate to privacy and electronic communications. In this clause, we refer to these laws as "Data Protection Law". In providing our services, we act as an independent controller and are, therefore, responsible for complying with Data Protection Law in respect of any personal data we process in providing our services to the Company. The Company is also an independent controller responsible for complying with Data Protection Law in respect of the personal data you process and, accordingly, where personal data is disclosed to us you confirm that such disclosure is fair and lawful and otherwise does not contravene Data Protection Law. Terms used in this clause bear the same meanings as are ascribed to them in Data Protection Law.

Please be aware K J Watkin & Co. also uses personal information in order to fulfil the legal obligations of our Insolvency Practitioner 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.