

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 8 4 0 1 1 3 8

Company name in full Dauntless Agency Ltd

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Supervisor's name

Full forename(s) Andrew

Surname Tate

3 Supervisor's address

Building name/number Montague Place

Street Quayside

Post town Chatham Maritime

County/Region Kent

Postcode M E 4 4 Q U

Country

4 Supervisor's name ^①

Full forename(s) James

Surname Hopkirk

① Other supervisor

Use this section to tell us about
another supervisor.

5 Supervisor's address ^②

Building name/number Montague Place

Street Quayside

Post town Chatham Maritime

County/Region Kent

Postcode M E 4 4 Q U

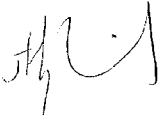
Country

② Other supervisor

Use this section to tell us about
another supervisor.

CVA3

Notice of supervisor's progress report in voluntary arrangement

6	Date of voluntary arrangement																
Date	^d	0	^d	6	^m	0	^m	6	^y	2	^y	0	^y	1	^y	9	
7	Period of progress report																
Date from	^d	0	^d	6	^m	0	^m	6	^y	2	^y	0	^y	2	^y	2	
Date to	^d	0	^d	5	^m	0	^m	6	^y	2	^y	0	^y	2	^y	3	
8	Progress report																
<input checked="" type="checkbox"/> I attach a copy of the progress report																	
9	Sign and date																
Supervisor's signature	Signature X  X																
Signature date	^d	2	^d	4	^m	0	^m	7	^y	2	^y	0	^y	2	^y	3	

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 **Amber Mapley**

Company name **Kreston Reeves LLP**

Address **Montague Place**

Quayside

Post town **Chatham Maritime**

County/Region **Kent**

Postcode **M E 4 4 Q U**

Country

DX

Telephone **01634 899800**



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

**Voluntary Arrangement of
Dauntless Agency Ltd
Joint Supervisors' Summary of Receipts & Payments**

Statement of Affairs £	From 06/06/2022 To 05/06/2023 £	From 06/06/2019 To 05/06/2023 £
ASSET REALISATIONS		
Bank Interest Gross	67.98	489.78
Contributions	143,040.00	660,240.00
	143,107.98	660,729.78
COST OF REALISATIONS		
Joint Supervisors' Expenses	NIL	420.00
Joint Supervisors' Fees	2,275.53	22,717.37
Nominees Fee	NIL	3,000.00
Petitioners Costs	NIL	902.40
	(2,275.53)	(27,039.77)
UNSECURED CREDITORS		
Customs & Excise	101,814.10	356,755.08
Trade & Expense Creditors	34,907.90	118,553.52
	(136,722.00)	(475,308.60)
	4,110.45	158,381.41
REPRESENTED BY		
Bank 1 Current		158,381.41
		158,381.41

Note:

Date: 28.05.2021

Type: Non-preferential unsecured creditors

Creditors: 21

Amount: £340,000

Rate: 38.91p in the £1

Date: 21.07.2022

Type: Non-preferential unsecured creditors

Creditors: 20

Amount: £135,648

Rate: 15.54p in the £1

Dauntless Agency Ltd (In Company Voluntary Arrangement)

**Joint Supervisors' Fourth
Report to Members and
Creditors**

Dated: 24 July 2023

IN THE HIGH COURT

IN THE MATTER OF THE INSOLVENCY ACT
1986

Dauntless Agency Ltd (“**the Company**”)

Company Number 08401138

COMPANY VOLUNTARY ARRANGEMENT (CVA)

**JOINT 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**

The Voluntary Arrangement was approved on 06 June 2019 and James Hopkirk and I were appointed Joint Supervisors.

I present my fourth annual report in respect of the above company for the twelve months to 05 June 2023.

This report will give an account of my acts and dealings and of the conduct of the CVA for the period from my appointment to 05 June 2023 and should be read in conjunction with any previous reports and correspondence.

The contents of this report are detailed as follows:

1. Asset Realisations,
2. Creditor Claims,
3. Office Holders’ Remuneration,
4. Office Holders’ Expense,
5. Progress and Prospects for the Full Implementation of the Arrangement,
6. Matters Outstanding.

The enclosures provided with this report are as follows:

1. A receipts and payments (“R&P”) account covering the period from the date of my appointment to 05 June 2023 the anniversary. A summary R&P in the last year is also shown,
2. Notice of intended dividend,
3. A summary of my firm’s time costs to date,
4. Details of my firm’s charge out rates and disbursement policy.

ASSETS REALISATIONS

Attached is my receipts and payments account for the 12 months ended 05 June 2023 together with a summary which gives details of all transactions for the 48 months since the commencement of the Voluntary Arrangement on 06 June 2019.

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

Voluntary Contributions

Under the terms of the Arrangement as modified the Company is scheduled to make 60 consecutive monthly contributions of £11,920, rising as reviews allow.

To date, all due contributions have been received in a correct and timely manner. The sum of £143,040 has been received during the reporting period, bringing the total received to 05 June 2023 in respect of the monthly contributions to £660,240.

In addition to the contributions received to date, I have also received £100,000 that was paid as an initial contribution following the approval of the Arrangement, as mentioned in previous reports.

A trading review was undertaken in July 2023 whereby it was agreed that no increase was required with regard to the level of monthly contributions, subject to future review.

Bank Interest Gross

The sum of £67.98 has been received during the reporting period relating to the interest applied to the funds held in the estate bank account, bringing the total received since my appointment to £489.78.

CREDITOR CLAIMS

	As per Proposal (£)	Lodged to Date (£)
Preferential creditors	0	0
Unsecured	<u>678,241</u>	<u>875,449.65</u>
Total	678,241	875,449.65

There are 29 creditor claims outstanding, with a statement of affairs balance totalling £111,627.63.

As previously mentioned, the total creditor claims exceeded the amount disclosed in the Company's Statement of Affairs. This is as a result of HM Revenue & Customs ("HMRC") claim being significantly higher than initially estimated, as it now includes the tax for the remainder of the financial year April 2020. Creditors approved on 01 April 2021 that this increased claim would not constitute a breach of the arrangement.

On 01 April 2021, a decision procedure was held to propose a variation to the original arrangement. Creditors voted to keep the contributions in line with the original proposals of £11,920 per month for the duration of the arrangement. This resulted in an anticipated reduced dividend of 77p in the £ available to the non-preferential unsecured creditors, compared to 100p in the £ as originally outlined in the proposals.

OFFICE HOLDER'S REMUNERATION

Pre-Appointment

Under the terms of the proposal my remuneration as Joint Nominee was calculated as a fixed fee of £8,000, of which £5,000 was paid prior to my appointment, with the remaining balance of £3,000 drawn from the arrangement funds held.

Post-Appointment

Under the terms of the proposal, my remuneration as Joint Supervisor is to be calculated on a time cost basis, with the total fee being capped by creditors at £35,000 plus disbursements and was agreed to be drawn proportionately in line with the realisations.

Time costs incurred for the whole of the liquidation are summarised below:

	No. of Hours	Average Hourly Rate (£)	Total Time (£)
Time recorded from 06/06/2022 to 05/06/2023	34.40	173.71	5,975.50
Total time recorded since 06/06/2019	173.90	227.00	39,476.00

My time costs since my appointment to 05 June 2023 amount to £39,476, representing 227 hours of work at a “blended” charge out rate of £227. Since my last report my total time costs amount to £5,975.50, representing 34.4 hours of work at a “blended” charge out rate of £173.71.

Owing to HMRC’s modification that remuneration should be taken proportionately with realisations and capped at £35,000, since my last report I’ve become able to draw a maximum of £6,141.32, subject to my actual time costs detailed above (based on a total anticipated realisation of £815,200).

A detailed schedule of my time costs incurred to date is attached.

I have drawn fees of £2,275.53 in the reporting period, and £22,717.37 in total from the arrangement to 05 June 2023.

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

1. Administration and Planning

- Dealing with all routine correspondence.
- Maintaining electronic case details on the case management system.
- Case bordereau.
- Preparing reports to members and creditors.
- Monitoring compliance with the terms of the Arrangement

2. Cashiering

- Maintaining and managing the Supervisors’ cashbook and bank account.

3. Creditors

- Maintaining creditor information on the case management system.

4. Realisation of Assets

- Corresponding with directors and collecting payments.
- Reviewing the Company’s trading and statutory accounts.
- Reviewing the Company’s cash flow forecast.
- Liaising with the Directors regarding the Company’s monthly contributions and trading accounts.

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. I think that this shows that the fee 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, together with an explanatory note which shows Kreston Reeves LLP's fee policy are available at the link <https://www.krestonreeves.com/creditor-information> Please note that there are different versions of the Guidance Notes and in this case you should refer to the April 2017 version. A hard copy of both documents can be obtained on request.

OFFICE **HOLDER'S** EXPENSES

I have incurred the following expenses since my appointment as Joint Supervisor:

Type of Expense	Amount incurred / accrued since appointment (£)
Statutory Insolvency Bond	420.00
Total	420.00

During the reporting period I have not accrued or drawn any expenses.

I have drawn £420 in previous reporting periods.

As of 05 June 2023, I do not anticipate that the expenses I will incur in this matter will exceed the total expenses estimated in the proposals.

PROGRESS AND PROSPECTS FOR THE FULL IMPLEMENTATION OF THE ARRANGEMENT

As previously reported a Notice of Breach was issued on 06 November 2020 as a result of the increased claims being greater than 10% of the agreed claims mentioned in the Arrangement.

The following resolution was approved at a Virtual Meeting of creditors held on 01 April 2021; "Monthly contributions will remain at £11,920 and creditors will accept the resulting dividends in full and final settlements of all claims. Total dividends would be expected to amount to 77.49p in the £. The final payment would be expected to make shortly after June 2024".

A first distribution totalling £340,000 being 38.91p in the £ was made on 28 May 2021 to the non-preferential unsecured creditors whose claims were lodged and accepted by the Joint Supervisors.

A catch-up dividend was made on 10 March 2022 to a new non-preferential unsecured creditor that submitted their Proof of Debt after the first distribution.

A second distribution totalling £135,648 being 15.54p in the £ was made on 20 July 2022 to the non-preferential unsecured creditors who claims were lodged and accepted by the Joint Supervisors.

The Arrangement, as modified, required a minimum dividend of 77.49p in the £ to the non-preferential unsecured creditors, and the Arrangement is on track to meet that requirement.

MATTERS OUTSTANDING

- a) Notice of Intended Dividend. The Joint Supervisors are planning a third distribution to the non-preferential unsecured creditors, which will be made no more than two months after the deadline.
- b) Agreement of claims. Any creditor who has not yet submitted a claim should now do so as soon as possible. You have until 23 August 2023 to submit your Proof of Debt, as enclosed within this report, with reasoning as to why you have not submitted it previously.
- c) To continue to monitor the receipt of the monthly contributions in the sum of £11,920 per month.

To comply with the Provision of Services Regulations, some general information about Kreston Reeves LLP, can be found at <https://www.krestonreeves.com/creditor-information>

Kreston Reeves LLP 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 Kreston Reeves LLP uses your personal information on our website at <https://www.krestonreeves.com/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 Kreston Reeves LLP, Montague Place, Quayside, Chatham Maritime, Kent, ME4 4QU or by email at Amber.Mapley@krestonreeves.com, or by phone on 01634 899813.



Andrew Tate
Joint Supervisor

Andrew Tate is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants in England and Wales
James Hopkirk is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants in England and Wales

IN THE High Court

NO 003150 OF 2019

IN THE MATTER OF THE INSOLVENCY ACT
1986

NOTICE TO UNSECURED CREDITORS OF INTENTION TO DECLARE A DIVIDEND

Dauntless Agency Ltd

(COMPANY NUMBER 08401138)

COMPANY VOLUNTARY ARRANGEMENT (CVA)

NOTICE IS HEREBY GIVEN, that we, Andrew Tate and James Hopkirk, the Supervisors of the above-named Company, intend declaring a second dividend to the unsecured creditors on or before 18 October 2023.

Creditors who have not already proved are required, on or before 23 August 2023, the last date for proving, to submit their proof of debt to me at Kreston Reeves LLP, Montague Place, Quayside, Chatham Maritime, Kent, ME4 4QU, and, if so, requested by me, to provide such further details or produce such documentary or other evidence as may appear to be necessary.

Please may I draw your attention to paragraph 36 of the proposals which states:

"Creditors other than HM Revenue and Customs not submitting claims within 4 months of the decision procedure to approve the proposal will be excluded from participating in dividend payments unless a reasonable explanation is provided for why this delay has occurred. In cases where the Supervisor accepts the explanation is reasonable, those creditors will, subject to available funds, be entitled to receive their full share of dividends, notwithstanding the fact that some distributions may have been made prior to submission of the claim, but they shall not be able to disturb prior dividends."

PLEASE THEREFORE ALSO PROVIDE YOUR REASONS FOR THE LATE SUBMISSION
OF YOUR CLAIM.

A creditor who has not proved his debt or has not provided reasons for the late claim before the date specified above is not entitled to disturb the dividend because he has not participated in it.

PLEASE NOTE: THE LAST DATE FOR SUBMITTING A PROOF OF DEBT, TOGETHER
WITH REASONS FOR THE LATE SUBMISSION, IS 23 AUGUST 2023.

Dated: 24 July 2023



Andrew Tate
Joint Supervisor

Rule 14.4 The Insolvency (England and Wales) Rules 2016
Proof of Debt – General Form

Name of Company:

Company Registration Number:

1 Name of creditor

(If a company, please also provide the company registration number).

2 Correspondence address of creditor (including any email address)

3 Total amount of claim (£)
(include any Value Added Tax)

4 If amount in 3 above includes (£)
outstanding uncapitalised interest, state amount.

5 Details of how and when the debt was incurred.
(If you need more space, attach a continuation sheet to this form)

6 Details of any security held, the value of the security and the date it was given.

7 Details of any reservation of title claimed in respect of goods supplied to which the debt relates.

8 Details of any document by reference to which the debt can be substantiated

9 Signature of creditor
(or person authorised to act on the creditor's
behalf)

10 Address of person signing if different from 2
above

11 Name in BLOCK LETTERS:

12 Position with, or relation to, creditor

13 Date of signature

Admitted to vote for

Amount (£)

Date

Admitted for dividend for

Amount (£)

Date

Andrew Tate
JOINT SUPERVISOR

James Hopkirk
JOINT SUPERVISOR

Notes:

1. There is no need to attach them now but the office holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.

2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office holder. If completing on behalf of a company, please state your relationship to the company.

Dauntless Agency Ltd
(Under a Company Voluntary Arrangement)
Joint Supervisors' Summary of Receipts and Payments

RECEIPTS	Statement of Affairs (£)	From 06/06/2019 To 05/06/2022 (£)	From 06/06/2022 To 05/06/2023 (£)	Total (£)
Contributions		517,200.00	143,040.00	660,240.00
Bank Interest Gross		421.80	67.98	489.78
		517,621.80	143,107.98	660,729.78
PAYMENTS				
Petitioners Costs		902.40	0.00	902.40
Nominees Fee		3,000.00	0.00	3,000.00
Joint Supervisors' Fees		20,441.84	2,275.53	22,717.37
Joint Supervisors' Expenses		420.00	0.00	420.00
Trade & Expense Creditors		83,645.62	34,907.90	118,553.52
Customs & Excise		254,940.98	101,814.10	356,755.08
		363,350.84	138,997.53	502,348.37
Net Receipts/(Payments)		154,270.96	4,110.45	158,381.41
MADE UP AS FOLLOWS				
Bank 1 Current		154,270.96	4,110.45	158,381.41
		154,270.96	4,110.45	158,381.41

Note:

Date: 28.05.2021

Type: Non-preferential unsecured creditors

Creditors: 21

Amount: £340,000

Rate: 38.91p in the £1

Date: 21.07.2022

Type: Non-preferential unsecured creditors

Creditors: 20

Amount: £135,648

Rate: 15.54p in the £1

40033688 DAUNTLESS AGENCY LTD

Matter: Post Appointment Work

Analysis of Joint Supervisor's time costs for the period 06/06/2022 to 05/06/2023

For the period: 06/06/2022 to 05/06/2023

Classification of Work Function	Hours					Total Hours	Time Cost	Av hourly Rate
	Partner	Manager	Senior	Assistant Administrator	Support			
Administration and Planning							£	£
Case Planning		3.20			6.30	9.50	1,935.00	203.68
Maintenance of records					1.20	1.20	138.00	115.00
Statutory Reporting		0.30		0.20	1.80	2.30	355.00	154.35
Liason with Company Officers		0.40			0.90	1.30	269.50	207.31
Cashiering			10.40	0.40	3.90	14.70	2,443.00	166.19
Partner Review	0.40					0.40	208.00	520.00
Creditors								
Communications with Creditor					4.60	4.60	532.00	115.65
Creditors Claims		0.20			0.20	0.40	95.00	237.50
Total Hours	0.40	4.10	10.40	0.60	18.90	34.40		173.71
Total Fees Claimed (£)	208.00	1,539.50	1,898.50	116.00	2,213.50		5,975.50	

40033688 DAUNTLESS AGENCY LTD**Matter: Post Appointment Work****Analysis of Joint Supervisor's time costs for the period 06/06/2019 to 05/06/2023****For the period: 06/06/2019 to 05/06/2023**

Classification of Work Function	Hours					Total Hours	Time Cost	Av hourly Rate
	Partner	Manager	Senior	Assistant Administrator	Support			
Administration and Planning							£	£
Case Planning		14.70	10.90	1.50	7.30	34.40	8,096.50	235.36
Appointment notification		0.50				0.50	170.00	340.00
Maintenance of records		0.30	2.60		1.20	4.10	717.50	175.00
Statutory Reporting		3.20	23.50	0.20	2.90	29.80	6,027.50	202.27
Liason with Company Officers	1.40	8.20	4.10		1.00	14.70	4,357.50	296.43
Cashiering		0.10	35.90	0.40	4.10	40.50	6,936.00	171.26
Partner Review	11.50					11.50	5,155.00	448.26
Realisation of Assets								
Identify Secure Insure Assets		1.90	0.10			2.00	665.50	332.75
Debt Collection			0.10		0.10	0.20	31.00	155.00
Legal Matters		0.50				0.50	170.00	340.00
Trading								
Management of Operations			0.20			0.20	18.00	90.00
Creditors								
Communications with Creditor	0.30	2.90	8.90	0.30	4.90	17.30	3,464.00	200.23
Creditors Claims		1.80	12.20	1.00	0.80	15.80	3,199.50	202.50
Case Specific Matters								
Case specific 1			2.40			2.40	468.00	195.00
Total Hours	13.20	34.10	100.90	3.40	22.30	173.90		227.00
Total Fees Claimed (£)	5,911.50	11,536.00	18,992.00	433.00	2,603.50		39,476.00	

PRACTICE FEE RECOVERY POLICY FOR KRESTON REEVES LLP RESTRUCTURING AND RECOVERY

INTRODUCTION

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

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <http://www.krestonreeves.com/creditor-information>. Alternatively a hard copy may be requested from my office. 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 COSTS 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 listed by staff classification effective from 01 June 2023

Staff Grade	Rate (per hour)
Partner	£570
Manager/Senior Manager	£345 - £425
Senior	£240 - £290
Assistant Administrator	£200
Support	£135

Where necessary and appropriate, members of staff from other departments of the practice will undertake work on a case. They will be charged at their normal charge out rate for undertaking such work.

These charge-out rates charged are reviewed in June 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

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

The legislation changed on 1 October 2015 and we now seek remuneration on a percentage basis more often. A report accompanying any fee request will set out the potential assets in the case, the remuneration percentage proposed for any realisations and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

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

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

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

FIXED FEE

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation.

The legislation changed on 1 October 2015 and we now seek remuneration on a fixed fee basis more often. A report accompanying any fee request will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

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

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

MEMBERS' VOLUNTARY LIQUIDATIONS AND VOLUNTARY ARRANGEMENTS

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

ALL BASES

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

AGENT'S COSTS

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

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

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

DISBURSEMENTS

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

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

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

Kreston Reeves LLP will not be seeking to recover Category 2 disbursements in this case.