

LIQ03

Notice of progress report in voluntary winding up



Companies House

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

1 Company details

Company number 1 0 6 9 6 1 3 2

Company name in full Danny The Jeweller Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Kikis

Surname Kallis

3 Liquidator's address

Building name/number Mountview Court

Street 1148 High Road

Post town Whetstone

County/Region London

Postcode N 2 0 0 R A

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 9 | ^m 0 | ^m 7 | ^y 2 | ^y 0 | ^y 2 | ^y 0 | |
| To date | ^d 0 | ^d 8 | ^m 0 | ^m 7 | ^y 2 | ^y 0 | ^y 2 | ^y 1 | |

7 Progress report

| | |
|---|--|
| <input checked="" type="checkbox"/> The progress report is attached | |
|---|--|

8 Sign and date

| | | |
|------------------------|---|--|
| Liquidator's signature | <div>Signature</div> <div>  </div> | |
| Signature date | <div>^d0</div> <div>^d8</div> <div>^m0</div> <div>^m9</div> <div>^y2</div> <div>^y0</div> <div>^y2</div> <div>^y1</div> | |

**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 **Kikis Kallis**

Company name **Kallis & Company**

Address **Mountview Court**

1148 High Road

Post town **Whetstone**

County/Region **London**

Postcode **N 2 0 0 R A**

Country

DX

Telephone **020 8446 6699**

**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.

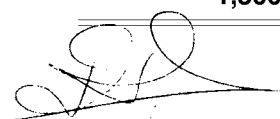
**Further information**

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

Danny The Jeweller Limited Trading As: Diamond Watches London
(In Liquidation)
Liquidator's Summary of Receipts & Payments

| Statement of Affairs £ | | From 09/07/2020 To 08/07/2021 £ | From 09/07/2020 To 08/07/2021 £ |
|------------------------------|-----------------------------|---------------------------------------|---------------------------------------|
| | ASSET REALISATIONS | | |
| 9,000.00 | Third Party Funds | 9,000.00 | 9,000.00 |
| | | 9,000.00 | 9,000.00 |
| | COST OF REALISATIONS | | |
| | Preparation of S. of A. | 7,500.00 | 7,500.00 |
| | | (7,500.00) | (7,500.00) |
| | UNSECURED CREDITORS | | |
| (9,000.00) | Directors | NIL | NIL |
| (1,508.08) | HM Revenue & Customs (CT) | NIL | NIL |
| (55,209.93) | HM Revenue & Customs (PAYE) | NIL | NIL |
| (144,778.68) | HM Revenue & Customs (VAT) | NIL | NIL |
| (7,590.00) | Trade & Expense Creditors | NIL | NIL |
| | | NIL | NIL |
| | DISTRIBUTIONS | | |
| (100.00) | Ordinary Shareholders | NIL | NIL |
| | | NIL | NIL |
| (209,186.69) | | 1,500.00 | 1,500.00 |
| | REPRESENTED BY | | |
| | VAT Receivable | | 1,500.00 |
| | | | 1,500.00 |



Kikis Kallis
Liquidator

Private and Confidential

To all members and creditors

Mountview Court
1148 High Road
Whetstone
London N20 0RA

T: 020 8446 6699
F: 020 8492 6099
E: info@kallis.co.uk
W: www.kallis.co.uk

Our ref DAN3512/KK/OA/BC/GM

Date 8 September 2021

Dear Sirs

Danny The Jeweller Limited T/A Diamond Watches London (**"the Company"**) – In Creditors' Voluntary Liquidation

This is my report to members and creditors following the 1st anniversary of my appointment as Liquidator.

This report has been produced during the Covid-19 restrictions. As a result, we had limited access to our physical case files and had to produce this from incomplete records on our IT system. We have taken every reasonable step to ensure that the information is accurate, but if anything is incorrect or incomplete, we will provide an explanation and corrected information upon request.

Kallis & Company 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 Kallis & Company uses your personal information on our website at www.kallis.legal/.

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 Benjamin Collie by email at Ben@kallis.co.uk, or by phone on 020 8446 6699.

Yours faithfully



Kikis Kallis
LIQUIDATOR

Enc.

Danny The Jeweller Limited
Trading As: Diamond Watches London

In Creditors' **Voluntary** Liquidation

*LIQUIDATOR'S FIRST PROGRESS REPORT IN ACCORDANCE WITH RULE 18.3 OF THE
INSOLVENCY RULES 2016 FOR THE PERIOD ENDING 8 JULY 2021.*

Contents:

1. Statutory Information
2. Liquidator's Actions Since Appointment
3. Receipts And Payments
4. Assets
5. Liabilities
6. Dividend Prospects
7. Investigation Into The Affairs Of The Company
8. Pre-Appointment Remuneration
9. Liquidator's Remuneration
10. Liquidator's Expenses
11. Further Information
12. Summary

Appendices:

1. Receipts & Payments Account for the period from 9 July 2020 to 8 July 2021
2. A schedule of actions undertaken under each category for the period from 9 July 2020 to 8 July 2021
3. A schedule of Liquidator's time costs incurred for the period from 9 July 2020 to 8 July 2021
4. Comparison of the estimated and actual time costs incurred
5. An explanatory note which shows Kallis & Company's fee policy
6. Proof of debt form

LIQUIDATOR'S PROGRESS REPORT TO CREDITORS AND MEMBERS

For the year ending 8 July 2021

EXECUTIVE SUMMARY

The information below was provided by the Director and presented to the Company's creditors at the date of liquidation.

The business was set up by director Mr Daniaal Shahid and traded as a jewellery retailer in Hatton Garden, famous as London's jewellery quarter, specialising in retailing luxury branded watches.

The Company was incorporated on 29 March 2017 and trading commenced on 1 April 2017.

The Company traded profitably in the first two years of trading. However, competition in the industry and local area grew, which reduced the number of customers and turnover in the third year of trading. The Company also struggled to find reliable suppliers for their products.

The Company incurred a large loss when it bought a watch from a pawn shop and sold it for £45,000. The watch was found to have in fact been a stolen item and the Company had to refund the customer in full for this, but was unable to recover the funds from the supplier.

Due to the fall in turnover and loss incurred from the stolen watch, there was no option but for the Company to cease trading on 31 March 2020 following the expiry of the lease.

STATUTORY INFORMATION

| | |
|-----------------------------------|---|
| Company name: | Danny The Jeweller Limited T/A Diamond Watches London |
| Registered office: | Mountview Court 1148 High Road Whetstone London N20 0RA |
| Former registered office: | 58 Hatton Gardens London EC1N 8LS |
| Registered number: | 10696132 |
| Liquidator's names: | Kikis Kallis |
| Liquidator's address: | Mountview Court 1148 High Road Whetstone London N20 0RA |
| Liquidator's date of appointment: | 9 July 2020 |

LIQUIDATOR'S ACTIONS SINCE COMMENCEMENT OF THE LIQUIDATION

Since my appointment, I have carried out a number of tasks for the benefit of the liquidation estate, which are detailed below:

- Attempting to collect the Company's books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors.
- Making further inquiries with the director in respect of the transactions identified.
- Tried to confirm the stock level as at the date of cessation of trade, which according to the director was NIL.

There is also 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 commencement of the Liquidation is contained in Appendix 2.

RECEIPTS AND PAYMENTS

My Receipts & Payments Account for the period from 9 July 2020 to 8 July 2021 is attached at Appendix 1. All amounts are shown net of VAT. I have reconciled the account against the financial records that I am required to maintain.

No interest has been received on the account to date.

ASSETS

Third Party Funds

This represents the funds advanced by BTJ Watches Limited, a connected company, to Kallis Insolvency Practitioners towards their fees in respect of the instructions given to prepare a Statement of Affairs and to seek a decision from the creditors on the appointment of a Liquidator.

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.

The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case, there were no creditors secured by a floating charge such that the prescribed part provisions do not apply.

Preferential Creditors

In accordance with the statement of affairs there were no preferential creditors as such, no claims have been received.

Crown Creditors

The statement of affairs included £201,496.69 owed to HMRC. HMRC's final claim of £106,801.21 has been received.

Non-preferential unsecured Creditors

The statement of affairs included 3 non-preferential unsecured creditors with an estimated total liability of £16,590.00. I have received claims from 3 creditors at a total of £13,143.50. I have not received claims from 1 creditor with an original estimated claim in the statement of affairs of £4,150.00.

DIVIDEND PROSPECTS

On the basis of current information, it is uncertain if there will be sufficient funds to enable payment of a dividend to unsecured creditors.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, and the funds likely to be available to fund an investigation, and the costs involved. I am required by the Statements of Insolvency Practice to undertake such an initial investigation and the work detailed below has been undertaken in connection with that initial investigation. Specifically, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the 12 months prior to the Company ceasing to trade from the Company's bankers; and compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the Liquidation and made enquiries about the reasons for the changes.

I identified the following areas where I considered that further investigation was required:

Stock

As per the statement of affairs, the Company held no stock as of the date of cessation. As part of my duties, I have been attempting to collect the Company's books and records in order to verify that in fact no stock was held. Unfortunately, despite me pursuing the director for the Company's records on many occasions he has not provided me with anything to date. We are still making enquiries into this matter.

Transactions in Question

Following a review of the Company's bank statements, I was able to identify payments totalling some £400,000 which I am unable to confirm as being related to the running of the business. I have written to the director and requested an explanation for these payments, however I can confirm that no explanation has been received to date. I continue to pursue this and will provide creditors with an update in my next report.

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

Matters requiring further investigation that may lead to potential recovery actions have been identified, and the work outlined above was undertaken to further those investigations with a view to making recoveries for the benefit of the creditors.

PRE-APPOINTMENT REMUNERATION

The creditors previously authorised the payment of a fee of £7,500.00 plus VAT for my assistance with preparing the statement of affairs and arranging the decision.

The fee for preparing the statement of affairs and arranging the decision procedure for creditors to appoint a liquidator was paid by BTJ Watches Limited, a connected company.

LIQUIDATOR'S REMUNERATION

My remuneration was approved on a time cost basis based on a fees estimate of £17,548.00. 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 08/07/2021 amount to £4,585.00, representing 33.60 hours of work at a blended charge out rate of £136.46 per hour. The actual blended charge out rate incurred compares with the estimated blended charge out rate of £160.55 in my fees estimate.

I have not drawn any monies to date.

A detailed schedule of my time costs incurred to date compared with my original fees estimate is attached as Appendix 3.

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 <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/>. Once you access the link, scroll down to "Getting involved: Creditors' Voluntary Liquidation" for the relevant details.

A copy of 'A Creditors Guide to Liquidator's Fees' also published by R3 can be accessed at <http://www.kallis.co.uk/downloads> by clicking the link underneath "Insolvency Office Holders' Fees. Please note that there are different versions of these Guidance Notes, and in this case please refer to "Guide to Liquidators Fees" under "Version 5 - issued November 2017".

Kallis & Company's fee policy, which is enclosed with this report in Appendix 4, can also be accessed at <http://www.kallis.co.uk/downloads> by clicking the link underneath "Kallis & Company's Fee Policy".

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.

I have incurred total expenses of £340.74. I have not been able to pay any expenses to date.

I have incurred the following expenses in the period since the commencement of the Liquidation.

| Type of expense | Amount incurred/ accrued in the reporting period |
|-----------------------|--|
| Statutory Advertising | £286.50 |
| Postage | £10.24 |
| Bonding | £44.00 |

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

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 not incurred any category 2 expenses

| Nature of expense | Estimated expenses | Expenses incurred to date |
|-----------------------|--------------------|---------------------------|
| Statutory Advertising | £192.45 | £286.50 |
| Postage | £4.32 | £10.24 |
| Bonding | £186.00 | £44.00 |
| Total | 382.77 | 340.74 |

As you can see above, the total expenses I incurred were in line with the total expenses I estimated I would incur when my remuneration was approved.

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 Kallis & Company can be found at www.kallis.co.uk/legal.

SUMMARY

The Liquidation will remain open until matters in respect of the stock and transactions in question have been resolved. I estimate that this will take approximately 12 months and 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 Benjamin Collie on 020 8446 6699, or by email at Ben@kallis.co.uk.

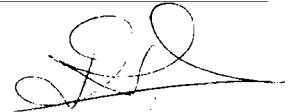


Kikis Kallis
LIQUIDATOR

Danny The Jeweller Limited Trading As: Diamond Watches London
(In Liquidation)

LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT

| | Statement of affairs £ | From 09/07/2020 To 08/07/2021 £ | From 09/07/2020 To 08/07/2021 £ |
|-----------------------------|------------------------------|---------------------------------------|---------------------------------------|
| RECEIPTS | | | |
| Third Party Funds | 9,000.00 | 9,000.00 | 9,000.00 |
| | | <u>9,000.00</u> | <u>9,000.00</u> |
| PAYMENTS | | | |
| Preparation of S. of A. | | 7,500.00 | 7,500.00 |
| Trade & Expense Creditors | (7,590.00) | 0.00 | 0.00 |
| Directors | (9,000.00) | 0.00 | 0.00 |
| HM Revenue & Customs (PAYE) | (55,209.93) | 0.00 | 0.00 |
| HM Revenue & Customs (CT) | (1,508.08) | 0.00 | 0.00 |
| HM Revenue & Customs (VAT) | (144,778.68) | 0.00 | 0.00 |
| Ordinary Shareholders | (100.00) | 0.00 | 0.00 |
| | | <u>7,500.00</u> | <u>7,500.00</u> |
| Net Receipts/(Payments) | | <u>1,500.00</u> | <u>1,500.00</u> |
| MADE UP AS FOLLOWS | | | |
| VAT Receivable / (Payable) | | 1,500.00 | 1,500.00 |
| | | <u>1,500.00</u> | <u>1,500.00</u> |



Kikis Kallis
Liquidator

Appendix 2

1. Administration

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

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up 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.
- Convening a decision procedure to seek a decision from creditors to approve the officeholders' 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.
- 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.

2. Financials

- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

3. Investigations

- Preparing a report or 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.
- Attempting to collect the Company's books and records in order to verify the stock level as of the date of cessation.
- Making enquiries into the various transactions identified that require further explanation.

4. 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 his statutory functions.

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

Analysis of Office Holder's time costs for the period 09/07/2020 To 08/07/2021



| Classification of Work Content | Partner Hours | Senior Manager Hours | Manager Hours | Senior Hours | Support Hours | Total Hours | Total Cost (GBP) | Average Hourly Rate (GBP) |
|--------------------------------|------------------|----------------------------|------------------|-----------------|------------------|----------------|------------------------|------------------------------------|
| Administration & Planning | 1.40 | 0.60 | 0.00 | 6.10 | 0.00 | 8.10 | 1,464.00 | 180.74 |
| Financials | 0.00 | 0.00 | 0.00 | 0.20 | 1.90 | 2.10 | 231.00 | 110.00 |
| Realisation of Assets | 0.00 | 0.20 | 0.00 | 0.70 | 0.00 | 0.90 | 132.00 | 146.67 |
| Investigations | 0.00 | 1.90 | 0.00 | 7.60 | 12.50 | 22.00 | 2,618.00 | 119.00 |
| Creditors | 0.40 | 0.00 | 0.00 | 0.10 | 0.00 | 0.50 | 140.00 | 280.00 |
| Total Hours | 1.80 | 2.70 | 0.00 | 14.70 | 14.40 | 33.60 | | 136.46 |
| Total Fees (GBP) | 716.00 | 648.00 | 0.00 | 1,764.00 | 1,457.00 | | 4,585.00 | |

Appendix 4

Tabular comparison of Time Costs actually incurred with the Fees Estimate

Table 1: First progress report after fee approval

| | Fees Estimate | | | Reporting Period | | |
|---------------------|------------------------|------------------------|---------------------------|-----------------------|--------------|---------------------------|
| SIP 9 Category | Estimated time costs £ | Estimated No. of hours | Blended charge out rate £ | Time costs incurred £ | No. of hours | Blended charge out rate £ |
| Case Administration | 8,932.00 | 56.20 | 158.93 | 1,464.00 | 8.10 | 180.74 |
| Financials | 1,740.00 | 13.00 | 133.85 | 231.00 | 2.10 | 110.00 |
| Asset realisations | 900.00 | 4.80 | 187.50 | 132.00 | 0.9 | 146.67 |
| Creditors | 1,728.00 | 10.90 | 158.53 | 140.00 | 0.50 | 280.00 |
| Investigations | 4,248.00 | 24.40 | 174.10 | 2,618.00 | 22.00 | 119.00 |
| Totals: | £17,548.00 | 109.3 | £160.55 | £4,585.00 | 33.60 | £136.46 |

PRACTICE FEE RECOVERY POLICY FOR KALLIS INSOLVENCY PRACTITIONERS

Introduction

This sheet explains the alternative fee bases allowed by the insolvency legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court. The report accompanying the request to fix the basis of remuneration will indicate the basis, or bases, being requested in that particular case and will make it clear what work is to be undertaken in respect of each basis.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) "Payments to Insolvency Office Holders and their Associates from an Estate" and can be accessed at <https://www.kallis.co.uk/downloads/>. Alternatively, a hard copy may be requested from Kallis Insolvency Practitioners, Mountview Court, 1148 High Road, London N20 0RA. Please note that we have provided further details in this policy document.

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

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

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

Time cost basis

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

Charge out Rates

| Grade of staff | Current charge-out rate per hour, effective from 01/10/2019 | Previous charge-out rate per hour, effective from 01/10/2017 | Previous charge-out rate per hour, effective from 01/10/2015 | Previous charge-out rate per hour, effective from 01/10/2012 £ | Previous charge-out rate per hour, effective from 01/10/2010 £ |
|------------------------------------|---|--|--|---|---|
| Senior Partner / appointment taker | £420 | | | | |
| Partner / appointment taker | £320-340 | £295-375 | £340-375 | £275-£335 | £275-£320 |
| Senior Manager | £295 | £285 | £285 | £275 | £275 |
| Manager | £240 | £225 | £225 | £170-£275 | £170-£275 |
| Senior/Case Administrator | £110-150 | £125-175 | £150-175 | £90-£175 | £90-£175 |
| Support Staff | £100-110 | £85-100 | £85-100 | £60-£85 | £60-£85 |

In cases where these staff undertake work, specific approval will be sought for the payment of the fees incurred.

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

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

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

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

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will summarise that information in an average or “blended” rate for all of the work being carried out within the estimate, and by reference to each separate category of work, and will also say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. A report accompanying the request to fix the basis of remuneration will set out the potential assets in the case, the remuneration percentage proposed in respect of any realisations and the work covered by that remuneration, which may solely relate to work undertaken in connection with the realisation of the assets, but might also include other categories of work as listed above. The report will also include details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

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

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

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 it will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

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

Fixed fee

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. A report accompanying the request to fix the basis of remuneration will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 we will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

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

Direct Costs

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

- Case Administration (including statutory reporting) – staff costs, costs of case management system.
- Realisation of Assets - staff costs, costs of case management system.
- Investigations - staff costs, costs of case management system.
- Creditors (claims and distributions) - staff costs, costs of case management system.
- Trading - staff costs, costs of case management system, costs of accounting software.

Mixed basis

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

Members' voluntary liquidations and Voluntary Arrangements

The legislation is different for members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) and Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee, and SIP 9 does not apply unless the members specifically request it. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

All fee bases

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

Expenses

As already indicated, a report will accompany the request to fix the basis of remuneration and that will include details of expenses to be incurred, or likely to be incurred. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

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

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

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

The practice intends to seek approval to recover the following Category 2 expenses that include an element of shared costs:

| | |
|-------------|--|
| Room Hire | £50 per hour |
| Mileage | www.gov.uk/government/publications/rates-and-allowances-travel-mileage-and-fuel-allowances |
| Storage | £15 per box per annum |
| Destruction | Costs £5.50 per box |

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

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

Reporting and rights to challenge

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

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

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

remuneration and expenses. A Court order is required to challenge the office holder's remuneration and/or expenses for the period covered by the report. Once that period has elapsed, then a separate Court Order is required to allow an application out of time.

Under rule 18.9 of the Insolvency (England and Wales) Rules 2006, an unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the office holder's remuneration and expenses, within 21 days of receipt of any report for the period. Any secured creditor may request the same details in the same time limit.

Under rule 18.34, an unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the office holder's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of any report for the period. Any secured creditor may make a similar application to court within the same time limit.

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

Rule 14.4 The Insolvency (England and Wales) Rules 2016

Proof of Debt – General Form

Name of Company in Liquidation:

Danny The Jeweller Limited

Company Registration Number:

10696132

Date of Liquidation:

9 July, 2020

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

Kikis Kallis
LIQUIDATOR

Kikis Kallis
LIQUIDATOR

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.