

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

SATURDAY



A22 \*A849564J\* 27/04/2019 #25  
COMPANIES HOUSE

### 1 Company details

Company number 0 7 6 5 5 2 0 7

Company name in full Akxa (UK) Limited

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

### 2 Liquidator's name

Full forename(s) Kikis Kallis FCCA

Surname FABRP

### 3 Liquidator's address

Building name/number Mountview Court

Street 1148 High Road

Post town Whetstone

County/Region

Postcode L o n d o n , N 2 0 0 2 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

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**6** Period of progress report

From date	<sup>d</sup> 0	<sup>d</sup> 1	<sup>m</sup> 0	<sup>m</sup> 3	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8
To date	<sup>d</sup> 2	<sup>d</sup> 8	<sup>m</sup> 0	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9

**7** Progress report

☒ The progress report is attached

**8** Sign and date

Liquidator's signature

Signature

X



X

Signature date

<sup>d</sup> 2	<sup>d</sup> 6	<sup>m</sup> 0	<sup>m</sup> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9
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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 **Kikis Kallis FCCA FABRP**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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)

**Aksa (UK) Limited**  
**IN CREDITORS' VOLUNTARY LIQUIDATION**

*LIQUIDATOR'S SECOND PROGRESS REPORT IN ACCORDANCE WITH RULE 18.3 OF THE  
INSOLVENCY RULES 2016 FOR THE YEAR ENDING 28 FEBRUARY 2019.*

*Contents:*

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

*Appendices:*

- 1. Receipts & Payments Account for the period from 1 March 2019 to 28 February 2019 and for the period 1 March 2017 to 28 February 2019.*
- 2. A schedule of actions undertaken under each category in the reporting period*
- 3. A schedule of Liquidator's time costs incurred to date and for the period from 1 March 2019 to 28 February 2019*
- 4. An explanatory note which shows Kallis & Company's fee policy*
- 5. Proof of debt form*

## **Aksa (UK) Limited – In Creditors' Voluntary Liquidation**

### **LIQUIDATOR'S PROGRESS REPORT TO CREDITORS AND MEMBERS**

**For the year ending 28 February 2019.**

#### **1. STATUTORY INFORMATION**

Company name:	Aksa (UK) Limited
Registered office:	Mountview Court 1148 High Road Whetstone London N20 0RA
Former registered office:	189 Merton Road London SW19 1EE
Registered number:	07655207
Liquidator's name:	Kikis Kallis FCCA FABRP
Liquidator's address:	Mountview Court 1148 High Road Whetstone London N20 0RA
Liquidator's date of appointment:	1 March 2017

#### **2. INTRODUCTION**

The Company traded as a fast food take away from premises at 189 Merton Road, London, SW19 1EE.

According to the statement of affairs lodged in these proceedings, the assets of the Company had a book value of £19,270.00 and an estimated realisable value of £2,470.00. To date, £2,400.00 has been realised, which is comprised of the third party funds paid to Kallis & Company in relation to our pre-appointment fees.

During the course of my administration, I have reviewed the Company's affairs to establish whether there were any potential undisclosed asset recoveries or conduct matters that justified further investigation. I carried out an extensive review out of the Company's books and records following an investigation and communication with HM Revenue and Customs, which is detailed in the investigation section below.

### **3. LIQUIDATOR'S ACTIONS SINCE LAST REPORT**

Since the last report, we have carried out a number of tasks for the benefit of the liquidation estate, which are detailed below:

- We have liaised with the director, his accountant and the HMRC with regards to the ongoing issue in relation to the director's loan account. Further explanation of what has been done is in the investigation sections below, as well as, my progress report for the year ending 28 February 2018.

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 detailed list of the work undertaken since my last progress report is contained in Appendix 2.

### **4. RECEIPTS AND PAYMENTS**

My Receipts & Payments Account for the period from 1 March 2018 to 28 February 2019 and for the period 1 March 2017 to 28 February 2019 is attached at Appendix 1.

VAT incurred by the Liquidator is unrecoverable as the Company was not registered for VAT. All items are therefore shown as gross of VAT on the receipts & payments account.

### **5. ASSETS**

All asset realisations achieved in previous periods have already been detailed in my previous report for the year ending 28 February 2018. There have been no realisations achieved in this reporting period.

### **6. 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

There were no preferential creditors included in the Statement of Affairs and no claims have been received in the liquidation.

#### Non-preferential unsecured Creditors

The statement of affairs included five unsecured creditors with an estimated total liability of £70,431.00, of which £45,548.00 is owed to HMRC. I have received claims from four creditors at a total of £98,575.35, including HMRC's final claim of £74,139.35. To date I have not received claims from one creditor with original estimated claims in the statement of affairs of £447.00.

## **7. DIVIDEND PROSPECTS**

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

## **8. 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, the funds likely to be available to fund an investigation, and the costs involved.

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 any changes.

As previously mentioned in my last report, I took the following action where I considered that further investigation was justified:

Prior to the liquidation, an investigation was conducted by HMRC into the Company's records and it was concluded by HMRC that the Company had failed to declare all of its income. HMRC has provided us with a schedule which shows the adjustments in the accounts incorporating the undeclared income. It therefore follows that this undeclared income was drawn by the director and should be applied against his DLA. Following this adjustment the Director's Loan Account ("DLA") stands at £95,258.97 as at 31 May 2015.

The director has been written to in this respect and a meeting was subsequently been held with him and his representatives. The director disputed the DLA established as a result of HMRC's investigations and has denied taking any funds from the Company. His representatives have written letter to HMRC to this effect. HMRC has responded by stating that their stance has not changed and that they believe the DLA is outstanding.

However, they have reduced the DLA balance to £64,937.28 based on information provided by the director's representatives regarding VAT purchases.

The director is still disputing that he ever withdrew this amount and continues to argue HMRC's outcome of their investigations.

Given that this matter has been ongoing for some time, I plan to have a final meeting with the director in order to reach a resolution.

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.

## **9. PRE-APPOINTMENT REMUNERATION**

The creditors previously authorised the payment of a fee of £2,000 plus VAT for for assistance with preparing the statement of affairs, producing and circulating the notices for the meetings of members and



creditors prior to my appointment at a meeting held on 1 March 2017. Kallis & Company were to pay £250 to S Islam & Co Accountants for their assistance with various matters regarding the liquidation of the company including dealing with statement of affairs, PAYE, etc.

The fee for assistance with preparing the statement of affairs, producing and circulating the notices for the meetings of members and creditors was paid by the Company.

## 10. LIQUIDATOR'S REMUNERATION

My remuneration was approved on a time cost basis based on a fees estimate of £9,096.25. 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 29 February 2019 amount to £8,713.50, representing 61.30 of hours work at a blended charge out rate of £142.15 per hour, of which £2,687.50, representing 18.40 of hours work, was charged in the period since 1 March 2018, at a blended charge out rate of £146.06 per hour. The actual blended charge out rate incurred compares with the estimated blended charge out rate of £151.48 in my fees estimate. A schedule of my time costs incurred to date and in the period since 1 March 2018 is attached as Appendix 3.

I have not been able to draw any remuneration in this matter.

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/>. A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3, together with an explanatory note which shows Kallis & Company's fee policy are available at the link <http://www.kallis.co.uk/downloads>. Please note that there are different versions of the Guidance Notes and in this case you should refer to the October 2015 version.

## 11. LIQUIDATOR'S EXPENSES

As per my receipts and payments account various expenses have been incurred and paid which are detailed below, together with expenses which have yet to be paid. Unpaid expenses will be written off due to lack of funds.

The disbursements listed are all Category 1 disbursements, with the exception of storage which is a Category 2 disbursement. My firm's disbursements recovery policy is attached as Appendix 3.

<u>Disbursement</u>	<u>Period from 1 March 2018 to 28 February 2019</u>		<u>To date</u>	
	<u>Paid £</u>	<u>To be paid £</u>	<u>Paid £</u>	<u>To be paid £</u>
Specific Bond		-		44.00
Statutory Advertising		-		180.60
Postage		-		2.65
Storage		15.00		30.00

The below table compares the expenses estimated and the expenses incurred:

Nature of expense	Estimated expenses	Expenses incurred to date
Specific Bond	44.00	44.00
Statutory Advertising	180.60	180.60
Postage	9.54	2.65
Storage	15.00	30.00
Total	249.14	257.25

As at 28 February 2019, I anticipate that the total expenses I will incur in this matter will exceed the total expenses I estimated I would incurred when my remuneration was authorised by the creditors. The reasons I anticipate exceeding the expenses estimate is mainly due to the length of the liquidation, which was not anticipated at the time.

## 12. 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.

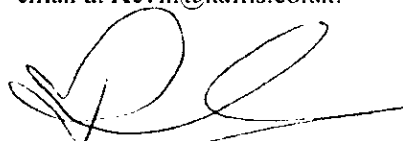
An unsecured creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Liquidator as being excessive, and/or the basis of the Liquidator's 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 <http://www.kallis.co.uk/legal>.

## 13. SUMMARY

The Liquidation will remain open until the matters regarding HMRC's investigations and the director's loan account have been fully resolved. I estimate that this will take approximately one year 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 Kevin Donnelly on 020 8446 6699, or by email at [Kevin@kallis.co.uk](mailto:Kevin@kallis.co.uk).

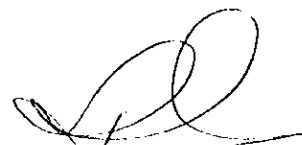


**Kikis Kallis FCCA FABRP  
LIQUIDATOR**

**Aksa (UK) Limited**  
**(In Liquidation)**  
**Liquidator's Summary of Receipts & Payments**

Statement of Affairs £		From 01/03/2018 To 28/02/2019 £	From 01/03/2017 To 28/02/2019 £
	<b>ASSET REALISATIONS</b>		
70.00	Cash at Bank	NIL	NIL
NIL	Goodwill	NIL	NIL
NIL	Plant, Machinery & Equipment	NIL	NIL
2,400.00	Third Party Funds	NIL	2,400.00
		NIL	2,400.00
	<b>COST OF REALISATIONS</b>		
	Preparation of S. of A.	NIL	2,400.00
		NIL	(2,400.00)
	<b>UNSECURED CREDITORS</b>		
(23,586.00)	Directors	NIL	NIL
(45,422.00)	HM Revenue & Customs (CT assessm	NIL	NIL
(126.00)	HM Revenue & Customs (PAYE)	NIL	NIL
(1,297.00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(1.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(67,962.00)</b>		<b>NIL</b>	<b>NIL</b>
	<b>REPRESENTED BY</b>		
			<b>NIL</b>

Note:



Kikis Kallis FCCA FABRP  
Liquidator

## **Appendix 2**

### **1. Administration**

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- 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.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

### **2. Creditors**

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

### **3. Investigations**

- Reviewing correspondence between HMRC and the director & his representatives.
- Liaising with HMRC in relation to the evidence provided and its impact on the DLA.

# Analysis of Liquidator's time costs for the period 01/03/2018 To 28/02/2019

Classification of Work Content	Partner Hours	Senior Manager Hours	Manager Hours	Senior Hours	Support Hours	Total Hours	Total Cost (GBP)	Average Hourly Rate (GBP)
<b>Administration &amp; Planning</b>								
AD1.1 - Case planning and review	0.50	0.00	0.00	1.30	8.00	9.80	1,175.00	119.90
AD1.2 - Ongoing administration matters	0.00	0.00	0.00	0.50	1.00	1.50	187.50	125.00
AD1.3 - Statutory notices & reporting	0.50	0.00	0.00	0.00	3.20	3.70	467.50	126.35
<b>Financials</b>	0.00	0.00	0.00	0.80	3.80	4.60	520.00	113.04
AD2.1 - Completion and agreement of tax returns	0.00	0.00	0.00	0.00	0.10	0.10	10.00	100.00
<b>Realisation of Assets</b>	0.50	0.00	0.00	0.00	0.10	0.10	10.00	100.00
AD3.4 - Identifying assets and recovery	0.50	0.00	0.00	0.00	4.20	4.70	567.50	120.74
<b>Investigations</b>	0.50	0.00	0.00	0.70	0.40	1.60	310.00	193.75
AD4.3 - Investigations - antecedent transactions/misconduct	0.50	0.00	0.00	0.70	0.40	1.60	310.00	193.75
<b>Creditors</b>	2.00	0.00	0.00	0.20	0.00	2.20	625.00	284.09
AD5.1 - Communication with creditors	1.00	0.00	0.00	0.20	0.00	1.20	330.00	275.00
AD5.2 - Creditors' claims (including Employees' and other preferential creditors')	1.00	0.00	0.00	0.00	0.00	1.00	295.00	295.00
<b>Total Hours</b>	3.50	0.00	0.00	2.20	12.70	18.40		146.06
<b>Total Fees (GBP)</b>	1,032.50	0.00	0.00	385.00	1,270.00		2,687.50	

# Analysis of Liquidator's time costs for the period 01/03/2017 To 28/02/2019

Classification of Work Content	Partner Hours	Senior Manager Hours	Manager Hours	Senior Hours	Support Hours	Total Hours	Total Cost (GBP)	Average Hourly Rate (GBP)
<b>Administration &amp; Planning</b>								
AD1.1 - Case planning and review	2.40	0.40	0.00	1.50	25.10	29.40	3,577.00	121.67
AD1.2 - Ongoing administration matters	0.70	0.40	0.00	0.70	14.80	16.60	1,836.50	110.63
AD1.3 - Statutory notices & reporting	0.50	0.00	0.00	0.00	5.50	6.00	670.50	111.75
<b>Financials</b>	1.20	0.00	0.00	0.80	4.80	6.80	1,070.00	157.35
AD2.1 - Completion and agreement of tax returns	0.10	0.00	0.00	0.00	1.90	2.00	227.50	113.75
AD2.3 - Expense reviews and payments	0.00	0.00	0.00	0.00	0.10	0.10	10.00	100.00
<b>Realisation of Assets</b>	0.10	0.00	0.00	0.00	1.80	1.90	217.50	114.47
AD3.3 - Book debt collection	3.50	0.00	0.00	0.00	7.00	10.50	1,732.50	165.00
AD3.4 - Identifying assets and recovery	0.00	0.00	0.00	0.00	0.10	0.10	10.00	100.00
<b>Investigations</b>	3.50	0.00	0.00	0.00	6.90	10.40	1,722.50	165.63
AD4.1 - SIP 2 review & CDDA reports	1.80	2.40	0.00	0.80	11.80	16.80	2,472.50	147.17
AD4.2 - Inventory and record review	1.30	2.40	0.00	0.10	6.90	10.70	1,775.50	165.93
AD4.3 - Investigations - antecedent transactions/misconduct	0.00	0.00	0.00	0.00	2.80	2.80	217.00	77.50
<b>Creditors</b>	0.50	0.00	0.00	0.70	2.10	3.30	480.00	145.45
AD5.1 - Communication with creditors	2.20	0.00	0.00	0.20	0.20	2.60	704.00	270.77
AD5.2 - Creditors' claims (including Employees' and other preferential creditors')	1.20	0.00	0.00	0.20	0.00	1.40	389.00	277.86
	1.00	0.00	0.00	0.00	0.20	1.20	315.00	262.50
<b>Total Hours</b>	<b>10.00</b>	<b>2.80</b>	<b>0.00</b>	<b>2.50</b>	<b>46.00</b>	<b>61.30</b>		<b>142.15</b>
<b>Total Fees (GBP)</b>	<b>3,214.00</b>	<b>798.00</b>	<b>0.00</b>	<b>437.50</b>	<b>4,264.00</b>		<b>8,713.50</b>	

## PRACTICE FEE RECOVERY POLICY FOR KALLIS & COMPANY

### 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 [www.kallis.co.uk](http://www.kallis.co.uk). Alternatively a hard copy may be requested from Kallis & Company, Mountview Court, 1148 High Road, London N20 0RA. 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 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
Partner – appointment taker	£295-375	£340-375	£275-£335	£275-£320
Senior Manager	£285	£285	£275	£275
Manager	£225	£225	£170-£275	£170-£275
Senior/Case Administrator	£125-175	£150-175	£90-£175	£90-£175
Support Staff	£85-100	£85-100	£60-£85	£60-£85

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 on periodic basis and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

**Administration and Planning; Financials; 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 continue to seek time costs for the majority of our cases.

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

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

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

### Percentage basis

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

realisations and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

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

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

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

#### **Fixed fee**

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

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

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

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

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

#### **All bases**

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

#### **Agent's Costs**

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

**Solicitors/Legal Advisors; Auctioneers/Valuers; Accountants; Quantity Surveyors; Estate Agents; Other Specialist Advisors.**

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

#### **Disbursements**

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

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

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

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

Room Hire	£50 per hour
Mileage	<a href="http://www.gov.uk/government/publications/rates-and-allowances-travel-mileage-and-fuel-allowances">www.gov.uk/government/publications/rates-and-allowances-travel-mileage-and-fuel-allowances</a>
Storage	£15 per box per annum
Destruction Costs	£5.50 per box