

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 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

Surname Kallis

3 Liquidator's address

Building name/number Mountview Court

Street 1148 High Road

Post town Whetstone

County/Region

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

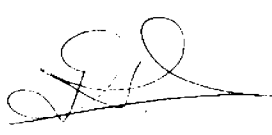
Country

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	1	^m	0	^m	3	^y	2	^y	0	^y	2	^y	0
To date	^d	2	^d	8	^m	0	^m	2	^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	^d	2	^d	8	^m	0	^m	2	^y	2	^y	0	^y	2	^y	1

**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 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

Private and Confidential

To all known creditors & members

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 ASL3109/KK/AA/OA/KD/EP/GM

Date 26 April 2021

Dear Sirs,

Aksa (UK) Limited (“the Company”) – In Creditors’ Voluntary Liquidation

This is my report to members and creditors following the 4th anniversary of my appointment as Liquidator. This report should be read in conjunction with my previous progress reports.

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.co.uk/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 Emilio Panayiotou by email at Emilio@kallis.co.uk, or by phone on 020 8446 6699.

Yours faithfully



Kikis Kallis
LIQUIDATOR

Enc.

Aksa (UK) Limited – In Creditors' Voluntary Liquidation

LIQUIDATORS' PROGRESS REPORT TO CREDITORS AND MEMBERS

For the year ending 28 February 2021

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 names:	Kikis Kallis
Liquidator's address:	Mountview Court 1148 High Road Whetstone London N20 0RA
Liquidator's date of appointment:	1 March 2017

LIQUIDATORS' ACTIONS SINCE LAST REPORT

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

- Director's loan account ("DLA"): As per my previous report, following investigations from HMRC and discussions with the director's representatives and HMRC, the DLA has been determined to be overdrawn by £64,937.28.

I am in the process of obtaining information regarding the director's financial position in order to establish what arrangements can be made to repay the DLA.

In addition, there is certain work that I am required by the insolvency legislation to undertake in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since my last progress report contained in Appendix 2.

RECEIPTS AND PAYMENTS

My Receipts & Payments Account for the period from 1 March 2020 to 28 February 2021 and for the whole period of the Liquidation up to 28 February 2021 is attached at Appendix 1.

ASSETS

All assets realised in the previous reporting periods are mentioned in my previous reports. The following are assets dealt with in this reporting period:

Director's Loan Account ("DLA")

As previously reported, following HMRC's investigation, a DLA has been determined to be overdrawn by £64,937.28. I am in the process of obtaining information on the director's financial position in order to establish what arrangements can be made to repay the DLA.

Despite numerous chasers requesting this information, the director has yet to revert back to me. Should this continue, I am to seek legal advice to progress this matter.

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 director's statement of affairs, it was not anticipated that there would be any preferential creditors and no such claims were received.

Non-preferential unsecured Creditors

The statement of affairs included five non-preferential unsecured creditors with an estimated total liability of £70,431.00, of which £45,548 was estimated to be due to HMRC. I have received claims from four creditors at a total of £98,575.25, of which £74,139.35 represents HMRC's final claim. I have not received claims from one creditor with original estimated claims in the statement of affairs of £447.00. HMRC's claim is higher than anticipated due to the outcome of their investigations carried out.

DIVIDEND PROSPECTS

On the basis of current information it is uncertain if that there will be sufficient funds to enable the payment of a dividend to any class of creditors. This will depend on any realisations achieved from the Director's Loan Account.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

With the exception of the Director's Loan Account which arose as a result of HMRC's investigations, which is further explained in my previous reports, there are no other matters that justified further investigation.

In regards to the progress of the DLA, as explained in the "Assets Section", I am in the process of liaising with the director in order to reach an agreement with regard to the repayment of the DLA.

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 £2,000 plus VAT for my assistance with preparing the statement of affairs and arranging the decision procedure for creditors to appoint a liquidator.

The fee for preparing the statement of affairs and arranging the decision procedure for creditors to appoint a liquidator was paid by the director.

LIQUIDATORS' 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 28 February 2021 amount to £14,190.00, representing 97.00 of hours work at a blended charge out rate of £146.29 per hour, of which £3,283.00 representing 21.60 of hours work, was charged in the period from 1 March 2020 to 28 February 2021, at a blended charge out rate of £151.99 per hour.

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

A schedule of my time costs incurred to date and for the period from 1 March 2020 to 28 February 2021 is attached as Appendix 3.

A detailed schedule of my time costs incurred to date compared with my original fees estimate is attached as Appendix 4.

As at 28 February 2021 then, as you can see from the information provided in this report, the total time costs I have incurred in this matter, in respect of the categories of work for which I am being remunerated on a time cost basis, have exceeded the total estimated remuneration I set out in my fees estimate when my remuneration was authorised by the creditors. This is because it was anticipated that the liquidation would have been closed in the first year, which did not occur due to the ongoing matter relating to the DLA. Currently I do not intend to draw remuneration in excess of the fees estimate and so will not be seeking a decision to increase my fees estimate.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <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 Administrator'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 4 - issued April 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".

LIQUIDATORS' 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 expenses to 28 February 2021 of £287.25, of which £15.00 was incurred in the period from 1 March 2020 to 28 February 2021

I have not been able to pay any expenses in this matter.

I have incurred the following category 2 disbursements in the period since my last progress report:

Type of category 2 disbursement	Amount incurred in the reporting period £
Storage	15.00

As at 28 February 2021 then, as you can see from the information provided in this report, the expenses I have incurred in this matter have exceeded the total expenses I estimated I would incur when my remuneration was authorised by the creditors. At the date the expenses were estimated, it was anticipated that the liquidation would be open for one year and further storage costs have been incurred than originally anticipated.

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	60.00
Total	249.14	287.25

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 Joint Liquidators' 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 Joint Liquidators as being excessive, and/or the basis of the Joint Liquidators' 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 at www.kallis.co.uk/legal.

SUMMARY

The Liquidation will remain open until the matter relating to the Director's Loan Account has been fully resolved. 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 Emilio Panayiotou on 020 8446 6699, or by email at Emilio@kallis.co.uk.

A handwritten signature in black ink, appearing to be 'K. Kallis', with a long horizontal stroke extending to the right.

Kikis Kallis
LIQUIDATOR

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

Statement of Affairs £		From 01/03/2020 To 28/02/2021 £	From 01/03/2017 To 28/02/2021 £
	ASSET REALISATIONS		
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
	COST OF REALISATIONS		
	Preparation of S. of A.	NIL	2,400.00
		NIL	(2,400.00)
	UNSECURED CREDITORS		
(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
	DISTRIBUTIONS		
(1.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(67,962.00)		NIL	NIL
	REPRESENTED BY		
			NIL

Note:

Appendix 2- Actions Undertaken Since Last Report

1. Administration & Financial

- 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.

2. Financials

- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

3. Investigations

- Continued to look into matters in respect of the Directors Loan Account

4. Creditors

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

Analysis of Liquidator's time costs for the period 01/03/2017 To 28/02/2021

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								
AD1.1 - Case planning and review	3.90	1.40	2.20	1.50	39.40	48.40	6,527.00	134.86
AD1.2 - Ongoing administration matters	1.20	1.40	1.10	0.70	15.80	20.20	2,659.50	131.66
AD1.3 - Statutory notices & reporting	0.50	0.00	0.00	0.00	10.30	10.80	1,226.50	113.56
Financials	2.20	0.00	1.10	0.80	13.30	17.40	2,641.00	151.78
AD2.1 - Completion and agreement of tax returns	0.10	0.00	0.00	0.00	3.00	3.10	345.50	111.45
AD2.2 - Banking and reconciliations	0.00	0.00	0.00	0.00	0.70	0.70	73.00	104.29
AD2.3 - Expense reviews and payments	0.00	0.00	0.00	0.00	0.50	0.50	55.00	110.00
Realisation of Assets	0.10	0.00	0.00	0.00	1.80	1.90	217.50	114.47
AD3.1 - Dealing with agents, asset and business sales	5.00	0.00	1.80	5.60	12.10	24.50	3,838.00	156.65
AD3.3 - Book debt collection	0.00	0.00	0.00	0.00	0.20	0.20	24.00	120.00
AD3.4 - Identifying assets and recovery	0.00	0.00	0.00	0.00	0.30	0.30	34.00	113.33
Investigations	5.00	0.00	1.80	5.60	11.60	24.00	3,780.00	157.50
AD4.1 - SIP 2 review & CDDA reports	1.80	2.50	0.00	1.00	12.00	17.30	2,544.50	147.08
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
Creditors	0.50	0.10	0.00	0.90	2.30	3.80	552.00	145.26
AD5.1 - Communication with creditors	2.20	0.30	0.60	0.40	0.20	3.70	935.00	252.70
AD5.2 - Creditors' claims (including Employees' and other preferential creditors')	1.20	0.00	0.60	0.20	0.00	2.00	524.00	262.00
	1.00	0.30	0.00	0.20	0.20	1.70	411.00	241.76
Total Hours	13.00	4.20	4.60	8.50	66.70	97.00		146.29
Total Fees (GBP)	4,189.00	1,189.00	1,060.50	1,157.50	6,594.00		14,190.00	

Analysis of Liquidator's time costs for the period 01/03/2020 To 28/02/2021

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								
AD1.1 - Case planning and review	1.00	1.00	1.20	0.00	10.00	13.20	2,123.00	160.83
AD1.2 - Ongoing administration matters	0.00	1.00	0.70	0.00	0.00	1.70	463.00	272.35
AD1.3 - Statutory notices & reporting	0.00	0.00	0.00	0.00	3.70	3.70	444.00	120.00
Financials								
AD2.1 - Completion and agreement of tax returns	1.00	0.00	0.50	0.00	6.30	7.80	1,216.00	155.90
AD2.2 - Banking and reconciliations	0.00	0.00	0.00	0.00	0.70	0.70	78.00	111.43
Realisation of Assets								
AD3.1 - Dealing with agents, asset and business sales	0.00	0.00	0.00	0.00	0.20	0.20	23.00	115.00
AD3.4 - Identifying assets and recovery	0.00	0.00	0.00	0.00	0.50	0.50	55.00	110.00
Investigations								
AD4.3 - Investigations - antecedent transactions/misconduct	0.50	0.00	0.00	5.60	0.80	6.90	938.00	135.94
Creditors								
AD5.2 - Creditors' claims (including Employees' and other preferential creditors')	0.00	0.10	0.00	0.20	0.60	0.90	24.00	120.00
	0.00	0.30	0.00	0.20	0.00	0.50	914.00	136.42
	0.00	0.30	0.00	0.20	0.00	0.30	48.00	160.00
	0.00	0.30	0.00	0.20	0.00	0.50	96.00	192.00
	0.00	0.30	0.00	0.20	0.00	0.50	96.00	192.00
Total Hours	1.50	1.40	1.20	6.00	11.50	21.60		151.99
Total Fees (GBP)	510.00	391.00	288.00	720.00	1,374.00		3,283.00	

APPENDIX 4 - COMPARISON OF THE ESTIMATED AND ACTUAL TIME COSTS INCURRED

Description of categories	Estimated time	Estimated value of the time costs £	Blended charge out rate £	Actual time	Actual value of the time costs £	Actual blended charge out rate £
ADMINISTRATION	29.35	5,230.00	178.19	48.40	6,527.00	134.86
FINANCIALS	6.80	680.00	100.00	3.10	345.50	111.45
REALISATION OF ASSETS	1.50	150.00	100.00	24.50	3,838.00	156.65
INVESTIGATIONS	14.25	2,108.75	147.98	17.30	2,544.50	147.08
CREDITORS	8.15	927.50	113.80	3.70	935.00	252.70
GRAND TOTAL FOR ALL CATEGORIES OF WORK	60.05	9,098.25	151.48	97.00	14,190.00	146.29

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:

Company Registration Number:

Date of Liquidation:

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

Admitted for dividend for

Amount (£)

Amount (£)

Date

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.