

LIQ03

Notice of progress report in voluntary winding up



Companies House

THURSDAY



A8440ANK
A19 25/04/2019 #79
COMPANIES HOUSE

1 Company details

Company number 0 7 9 3 8 5 9 7

Company name in full Ed James Limited

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

2 Liquidator's name

Full forename(s) Mark Elijah Thomas

Surname Bowen

3 Liquidator's address

Building name/number 11 Roman Way

Street Berry Hill

Post town Droitwich

County/Region Worcester

Postcode W R 9 9 A J

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	d	2	u	5	m	0	m	2	y	2	y	0	y	1	y	8
To date	d	2	u	4	m	0	m	2	y	2	y	0	y	1	y	9

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

d	2	u	4	m	0	m	4	y	2	y	0	y	1	y	9
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**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 Justin Brown

Company name MB Insolvency

Address 11 Roman Way

Berry Hill

Post town Droitwich Spa

County/Region Worcestershire

Postcode W R 9 9 A J

Country

DX

Telephone 01905 776771

**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

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- Realisation of Assets
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- Fees and Expenses
- Creditors' Rights
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- Conclusion

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- Appendix II – Receipts and Payments account for the period 25.02.2018 to 24.02.2019
- Appendix III - Detailed list of work undertaken in the period
- Appendix IV - Time cost information for period 25.02.2018 to 24.02.2019

EXECUTIVE SUMMARY

A summary of key information in this report is detailed below.

Assets

Asset	Estimated to realise per Statement of Affairs	Realisations to date	Anticipated future realisations	Total anticipated realisations
Office Furniture & Equipment	750	0	0	0
Book Debts	20,613	4,800	0	4,800
Cash at bank	39,102	40,441	0	0
Directors' Loan Account/Dividends in BKY	0	0	TBC	TBC

Expenses

Expense	Amount per fees and expenses estimates	Expense charged to date	Anticipated further expense to closure	Total anticipated expense
Liquidator's fees	33,100	25,100		
Solicitors' fees	3,000	500	0	500
Storage Costs	500	500	0	500
Category 1 Disbursements	896			
Category 2 Disbursements	270			

Dividend prospects

Creditor class	Distribution / dividend paid to date	Anticipated distribution / dividend, based upon the above
Secured creditor	NA	NA
Preferential creditors	NA	NA
Unsecured creditors	0	TBC

Summary of key issues outstanding

- Receipt of the Dividends in the Directors' Bankruptcies
- Agree & Pay Unsecured Dividend

Closure

Due to the issues outstanding as listed above, it is difficult to estimate the timing of any dividend to unsecured creditors and the closure of the liquidation as it depends upon the timing of the dividend from the Directors' bankruptcies which are currently ongoing.

ADMINISTRATION AND PLANNING

Statutory information

Statutory information may be found at Appendix I.

The Liquidator is required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration of the case, which ensures that work is carried out to high professional standards. A detailed list of these tasks may be found in Appendix III.

Reporting

The Liquidator has met his statutory and regulatory duties to report to creditors, as listed below. In consideration of the need for transparency and engagement with creditors, care has been taken to ensure that reports and other communications with creditors have provided useful details of the strategies pursued and the outcomes anticipated.

During the Review Period, the following key documents have been issued:

- The progress report to creditors dated 23 April 2018

Other administration tasks

During the Review Period, the following material tasks in this category were carried out:

- Case & strategy reviews
- Bond reviews
- Cashiering Functions & Bank Reconciliations
- Liaising with the Directors' Trustee(s) in Bankruptcy

ENQUIRES AND INVESTIGATIONS

My last report detailed that following my preliminary investigations claims were identified against the Directors who both subsequently declared themselves bankrupt. I lodged proof of debts for the amount of £ 328,305.87 in both Directors' bankruptcy estates. It is understood that there will be dividends payable to creditors however the Trustee(s) have advised that the timing and quantum of the dividends are currently unknown as the administration of the bankruptcy estates is still ongoing due to issues relating to the realisation of certain properties.

REALISATION OF ASSETS

The only receipt during the review period has been bank interest accrued on funds held totalling £7.98.

Directors' Loan Accounts

As detailed above, proofs have been lodged in both Directors' estates in bankruptcy. I have continued to monitor the progress of the bankruptcies reviewing the annual progress reports and other correspondence issued by the Trustee where appropriate. There has been no dividend in the bankruptcies paid to creditors to date.

Payments

The only payment during this review period has been in respect of my remuneration as office holder which is further detailed below.

CREDITORS

Irrespective of whether sufficient realisations are achieved to pay a dividend to creditors, the Liquidator has had to carry out key tasks which are detailed in the list at Appendix III. The following sections explain the anticipated outcomes to creditors and any distributions paid.

Secured creditors

The Company has not granted any charges over its assets.

Preferential creditors

There were no preferential creditors in this matter.

Unsecured creditors

The unsecured creditors as per the statement of affairs totalled £633,095, of which HMRC totalled £628,535. To date I have received claims totalling £418,874 from 4 creditors including HMRC. Please be advised that proofs of debt are still being received.

Dividend prospects

It is anticipated that a distribution will be made to unsecured creditors however the quantum of the dividend will depend upon the quantum of the dividend(s) received from the Directors' bankruptcies and therefore cannot be estimated at present.

The Company has not granted a floating charge to any creditor after 15 September 2003 and consequently there will be no prescribed part in this Liquidation.

FEES AND EXPENSES

The only fees paid during this period are in respect of my post appointment remuneration as Liquidator which are further detailed below. Total fees of £4,100 have been drawn in this reporting period in the with the set fee as approved by creditors.

All payments made during previous reporting periods are fully detailed within my prior progress reports.

The Liquidator's fees

It is the firm's practice to ensure that work is conducted by the appropriate staff member at the appropriate level of experience. Junior members of staff deal with the day to day administration on cases and a manager and (director/partner) then oversees the work undertaken. Where the issues are complex and litigious, the work will be closely supervised or undertaken by a (senior) manager or (director/partner).

ANNUAL PROGRESS REPORT OF ED JAMES LIMITED- IN CREDITORS' VOLUNTARY LIQUIDATION

The basis of the Liquidator's fees was approved by creditors on 24 March 2016 by way of a resolution by correspondence in accordance with the following table:

Proposed remuneration for the Liquidator	Basis	Approved £	Charged to Date £
Initial considerations & reporting	Time Costs	3,100	3,100
Future case administration & planning	Set Fee	2,500	2,500
Asset realisation – Directors loan account	Percentage	8,000	0
Asset realisation – Other	Set Fee	4,000	4,000
Preliminary investigation & report	Set Fee	7,500	7,500
Detailed investigation	Set Fee	5,000	5,000
Payment on dividend	Milestone	-	-
Future reporting to creditors – 2 reports	Set Fee	3,000	3,000
Total		33,100	25,100

Having regard for the costs that are likely to be incurred in bringing this Liquidation to a close, the Liquidator considers that:

- the original fees estimate has been exceeded; and
- the original expenses estimate is unlikely to be exceeded in total.
- Creditors approved the payment of a dividend on a milestone basis therefore if appropriate. I will revert to creditors to seek their approval of the payment of a dividend in due course.

The main reason why the fees estimate has been exceeded is due to the protracted nature of the realisation of the Directors' loan accounts and the bankruptcies of the Directors. The strategy has changed since the drafting of the fees estimate as it is now necessary to keep the case open to await a dividend from the bankruptcy estate(s).

Given the level of realisations in this case to date, the Liquidator does not propose to request approval to draw fees in excess of the fee estimate at present. The Liquidator will review the position as regards to fees when the quantum of the remaining assets becomes clearer.

Disbursements

The disbursements that have been paid and incurred and not yet paid during the period are detailed on Appendix IV.

The category 1 disbursements represent the simple reimbursement of actual out of pocket payments made in relation to the assignment.

The category 2 disbursements may include an element of overhead charges in accordance with the resolution passed by creditors by way of correspondence on 24 March 2016. The basis of calculation of this category of disbursement was disclosed to creditors prior to the resolution being passed and is also detailed at appendix IV.

Information about this insolvency process may be found on the R3 website at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors' Guide to Fees' together with the

firm's charge-out rate and disbursement policy may be found at www.mb-i.co.uk. A hard copy of both the Creditors' Guide and the firm's charge-out rate and disbursement policy may be obtained on request.

Other professional costs

There have been no other professional costs incurred or paid within this reporting period. Professional costs incurred and paid during previous reporting period(s) are detailed in my previous annual progress report(s).

CREDITORS' RIGHTS

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 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 creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

EC REGULATIONS (WHETHER PROCEEDINGS ARE MAIN PROCEEDINGS OR TERRITORIAL)

The Company's centre of main interest was in Halesowen, England and therefore it is considered that the EC Regulations will apply. These proceedings are main proceedings as defined in Article 3 of the EC Regulation.

CONCLUSION

The administration of the case will be continuing to finalise the following outstanding matters that are preventing this case from being closed:

- Receipt of the dividends from the Directors' bankruptcies
- Agree unsecured claims and make a distribution to creditors

If you require any further information, please contact this office.

Signed



Mark Bowen

24 April 2019

Appendix I

Statutory Information

Company Name	Ed James Limited
Former Trading Name	None
Company Number	07938597
Registered Office	11 Roman Way, Berry Hill, Droitwich, Worcestershire, WR9 9AJ
Former Registered Office	Hillcainie House, St Andrews Road, Droitwich, Worcestershire, WR9 9AJ & 16 – 18 Greenhill Road, Halesowen, West Midlands, B62 8EZ
Officeholders	Mark Bowen
Officeholders address	MB Insolvency, 11 Roman Way, Berry Hill, Droitwich, Worcestershire, WR9 9AJ
Date of appointment	25 February 2016

Appendix II

Receipts and Payments account for the period 25.02.2018 – 24.02.2019

Ed James Limited (In Liquidation)

Liquidator's Summary of Receipts and Payments

RECEIPTS	Statement of Affairs (£)	From 25/02/2016 To 24/02/2018 (£)	From 25/02/2018 To 24/02/2019 (£)	Total (£)
Office Furniture & Equipment	750.00	0.00	0.00	0.00
Book Debts	20,613.00	4,800.00	0.00	4,800.00
Cash at Bank	39,102.00	40,440.89	0.00	40,440.89
Bank Interest Gross		20.16	7.98	28.14
		45,261.05	7.98	45,269.03
PAYMENTS				
Specific Bond		1,360.00	0.00	1,360.00
Preparation of S. of A.		1,500.00	0.00	1,500.00
Pre Appointment Fees		7,500.00	0.00	7,500.00
Office Holders Fees		21,000.00	4,100.00	25,100.00
Meeting Room		72.50	0.00	72.50
Pre Appointment Statutory Advertising		73.74	0.00	73.74
Agents/Valuers Fees (1)		500.00	0.00	500.00
Legal Fees (1)		500.00	0.00	500.00
Postage		5.04	0.00	5.04
Photocopying		12.24	0.00	12.24
Storage Costs		250.00	0.00	250.00
Statutory Advertising		134.00	0.00	134.00
		32,907.52	4,100.00	37,007.52
Net Receipts/(Payments)		12,353.53	-4,092.02	8,261.51
MADE UP AS FOLLOWS				
Bank 1 Current				6,259.06
VAT Receivable / (Payable)				2,002.45
				8,261.51

Appendix III

Detailed list of work undertaken for Ed James Limited in Creditors' Voluntary Liquidation for the review period 25 February 2018 to 24 February 2019.

Below is detailed information about the tasks undertaken by the Liquidator.

General Description	Includes
Statutory and General Administration	
Statutory	Filing of documents to meet statutory requirements including annual receipts and payments accounts Annual corporation tax returns Quarterly VAT returns
Document maintenance/file review/checklist	Filing of documents Periodic file reviews documenting strategy Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
Bank account administration	Requesting bank statements Bank account reconciliations Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments
Planning / Review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
Books and records / storage	Dealing with records in storage
Reports	Preparing annual progress report,
Realisation of Assets	
Directors Loan Accounts	Liaising with the Directors' Trustee(s) in Bankruptcy Reviewing the reports and correspondence issued by the Trustee(s) Monitoring the progress and timing of a dividend
Creditors and Distributions	
Creditor Communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post
Dealing with proofs of debt	Receipting and filing POD when not related to a dividend Corresponding with RPO regarding POD when not related to a dividend

Ed James Limited (In Liquidation)

Summary of Remuneration for period 25 February 2018 - 24 February 2019

Classification of Work	Partner	Manager	Othe Senior Professionals	Assistant & Support Staff	Total Units	Time Cost £	Average Rate £/Hr
<i>Time previously reported for the period 25.02.2016 - 24.02.2018</i>	93.00	1,096.00		263.00	1,452.00	34,015.00	234.26
Stat Compliance / Admin & Planning	7.00	12.00		50.00	69.00	1,260.00	182.61
Investigations					-		
Realisation of Assets	-	-			-	-	-
Creditors	-	-		40.00	40.00	600.00	150.00
Case Specific Matters					-		
Total for review period	7.00	12.00	-	90.00	109.00	1,860.00	170.64
Total Cumulative	100.00	1,108.00		353.00	1,561.00	35,875.00	229.82
Fees drawn in this review period						4,100.00	
Total fees drawn						25,100.00	

All time is recorded in units of six minutes. Therefore 1 unit equates to six minutes of time recorded

Charge out rates:

Partner
Managers
Assistant Managers
Senior Administrator
Administrator
Senior Assistant / Cashier
Support Staff

From 13 February 2013
Rates depend on the complexity of the case
£300
£225 - £250
£200
£175
£150
£150
£90

Standard Activity:

Administration & Planning

Statutory reporting and compliance
Compliance with other regulatory requirements
Case planning
Administrative set up
Appointment notification
Maintenance of records

Investigations

Statement of Insolvency Practise 2 review
CDDA Reporting
Investigating antecedent transactions

Realisation of Assets

Identifying, securing, insuring assets
Retention of title claims
Debt collection
Property, business and asset sales

Trading

Management of operations
Accounting for trading
On-going employees issues

Creditors

Communication with creditors
Creditors claims (including employees)
Other preferential creditors

Ed James Limited - In Liquidation

Summary of Category 1 & 2 Disbursements for period 25 February 2018 - 24 February 2019

Category 1 Disbursements

	Incurred	Paid	Unpaid
	£	£	£
Bond	-	-	-
Advertising			-
Postage	6.03	-	6.03
Telephone			-
Car Mileage			-
Travel			-
Subsistence			-
External Room Hire			-
External Photocopying			-
External Records Removal			-
Mail Re-direction			-
Swear Fee			-
Company Search			-
Professional Fees			-
Other			

Category 2 Disbursements

	Incurred	Paid	Unpaid
	£	£	£
Photocopying / Printing	6.12	-	6.12
Registered Office Fee		-	-
IPS Charge		-	-
Mileage			-
Room Hire			-

Category 2 Disbursement Rates

Photocopying / Printing	£0.17 per sheet
Registered Office Fee	£125 per annum
IPS Charge	£125 per case
Mileage	£0.45 per mile
Room Hire	£60 per hour where held at MBI Offices

Ed James Limited(In Liquidation)

Summary of Liquidation Expenses for period 25 February 2018 - 24 February 2019

Nature of Expense

	Provider	Basis of Remuneration
None		

Expenses Incurred and Paid

	Incurred	Paid	Unpaid
	£	£	£
None			-
			-
			-
			-



Practice fee and disbursement recovery policy

Introduction

The insolvency legislation was changed in April 2010 for insolvency appointments commenced from that time in order to allow more flexibility on how an office holder's fees are charged to a case. This sheet explains how we may apply the alternative fee bases. The new legislation allows different fee bases to be used for different tasks within the same appointment. The basis or combination of bases set for a particular appointment 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 details about how an office holder's fees are approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP9). A copy of the relevant circulation listed in reports to creditors and is also available upon request.

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 and time costs incurred and will also enable the recipients to see the average rates of such costs. Under the new 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 the 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

This is the basis that we use in the majority of cases using charge out rates appropriate to the skills and experience of each 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. Cashiers, secretarial and support staff charge all the time they work as such work has not been allowed for in calculating the hourly rates charged by the partners and other staff. If such time were not charged our charge out rates for Partners and other staff would be approximately 20% higher. Time billed is normally subject to Value Added Tax (VAT) at the applicable rate (see below).

Staff allocation and the use of sub-contractors

The office holder's general approach to resourcing assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.



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The case team will usually consist of partner, senior manager/manager and administrator. The exact case team will depend on the anticipated size and complexity of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Office holder's charge out rate schedule below provides details of all grades of staff.

With regard to support staff, the Office Holder advises that time spent by our Treasury department in relation to specific tasks on an assignment is charged.

The following services are being provided on this assignment by external sub-contractors:

Service Type	Service Provider	Basis of fee arrangement	Cost to date£
Records Removal & Storage	Asset Storage Ltd	Fixed Fee	250

Charge out rates

Our charge out rates are reviewed periodically, our charge out rates are summarised below.

Charge out rates per hour effective from February 2013

Grade	Hourly Rate (£)
Insolvency Practitioner	300
Managers	225-250
Assistant Managers	200
Senior Administrator	175
Administrator	150
Senior Assistant/Cashier	150
Support Staff/Secretary	90

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. Each unit of time is 6 minutes. The work is recorded under the following categories:

Administration and planning - which includes work such as planning how the case will be administered and progressed; the administrative set up of the case; notifying creditors and others of the appointment; keeping the records relating to the case up to date; case review; case progression meetings; and reporting on progress of the case to creditors and others.



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Investigations - which includes work such as undertaking an initial review of the financial affairs of the company and bankrupt; undertaking a detailed investigation with a view to making recoveries for the benefit of creditors where matters such as preferences or wrongful trading come to light as a result of the initial review; and reporting to the Insolvency Service on the conduct of the directors.

Realisation of assets - which includes work such as identifying, securing and insuring assets; dealing with retention of title claims; collecting debts; and selling assets.

Employee matters - which includes work such as dealing with employees; and liaising with the redundancy payments office.

Creditors - which includes work such as communicating with creditors; dealing with creditors' claims; and where funds permit, paying dividends to creditors.

Trading - which includes work such as managing and controlling all aspects of the business; and maintaining financial records and information relating to that trading.

Percentage basis

The new legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal. Different percentages can be used for different assets or types of assets. Where we would like to realise any asset or type of assets on a percentage basis we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

Fixed fee

The new legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. Where we would like to charge a set amount for a task or different set amounts for different tasks we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

Value Added Tax

The office holder's remuneration invoiced to the insolvent estate will normally be subject to VAT at the prevailing rate. The only exception to this is for services rendered in relation to Voluntary Arrangement assignments where a VAT Tribunal has ruled that such services are exempt supplies.

Agent's costs

Charged at cost based on the amount billed by the Agent instructed, the term Agent includes:

Solicitors, Legal Advisors, Debtor recovery specialists

Auctioneers, Valuers, Accountants



Quantity Surveyors

Estate Agents

Document Storage Agents

Other Specialist Advisors

Disbursements

In accordance with Statement of Insolvency Practice 9 (SIP9) 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 MB Insolvency; 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 postage, mail redirection, travel, swear fee, company searches, land registry searches, statutory advertising, external meeting room hire, external storage, specific bond insurance and subsistence,.

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.

The category 2 disbursements that MB Insolvency apply, when seeking recovery, are as follows;

<u>Type</u>	<u>Rate</u>
Photocopying	17p per sheet
Room Hire (where MB insolvency room is used for formal meetings with external parties)	£60 per hour
Registered Office Fee	£125 per annum
Mileage	60p per mile
Insolvency Practitioners System	£125 per case



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Professional advisors

On this assignment the office holder has used the professional advisers listed below. The Office holder has also indicated the basis of their fee arrangement with them, which is subject to review on a regular basis.

Name of professional advisor	Basis of fee arrangement
MGR Appraisals Ltd	Time Costs plus Disbursements
Morgan Phelps Ltd	Time Costs plus Disbursements

The office holder's choice was based on his perception of the professional adviser's experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of his fee arrangement with them.