

In accordance with Rule 18.7 of the Insolvency (England & Wales) Rules 2016 and Sections 92A, 104A and 192 of the Insolvency Act 1986.

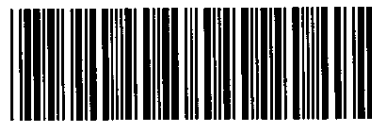
# LIQ03

## Notice of progress report in voluntary winding up



Companies House

FRIDAY



A08 03/11/2017 #403  
COMPANIES HOUSE

### 1 Company details

Company number 0 7 7 0 0 5 6 9

Company name in full CIMEX DIGITAL LIMITED

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

### 2 Liquidator's name

Full forename(s) GARY STEVEN

Surname PETTIT

### 3 Liquidator's address

Building name/number 9/10

Street SCIROCCO CLOSE

MOULTON PARK

Post town NORTHAMPTON

County/Region

Postcode N N 3 6 A P

Country

### 4 Liquidator's name ①

Full forename(s) GAVIN GEOFFREY

Surname BATES

① Other liquidator  
Use this section to tell us about another liquidator.

### 5 Liquidator's address ②

Building name/number 9/10

Street SCIROCCO CLOSE

MOULTON PARK

Post town NORTHAMPTON

County/Region

Postcode N N 3 6 A P

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	<sup>d</sup> 1	<sup>d</sup> 3	<sup>m</sup> 0	<sup>m</sup> 9	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 6
To date	<sup>d</sup> 1	<sup>d</sup> 2	<sup>m</sup> 0	<sup>m</sup> 9	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 7

### 7 Progress report

The progress report is attached

### 8 Sign and date

Liquidator's signature

Signature

X *L. H. Bate* X

Signature date

<sup>d</sup> 01 <sup>m</sup> 11 <sup>y</sup> 2017.

# 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

Company name **PBC BUSINESS RECOVERY**

**& INSOLVENCY LIMITED**

Address **9/10 SCIROCCO CLOSE**

**MOULTON PARK**

Post town **NORTHAMPTON**

County/Region

Postcode

**N N 3 6 A P**

Country

DX

Telephone **01604 212150**

### **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)**

## CIMEX DIGITAL LIMITED – IN CREDITORS' VOLUNTARY LIQUIDATION

### LIQUIDATORS' PROGRESS REPORT TO CREDITORS AND MEMBERS FOR THE YEAR ENDING 12 SEPTEMBER 2017

#### 1 Introduction

- 1.1 This is my report to members and creditors following the fifth anniversary of my appointment as liquidator. This report should be read in conjunction with my previous reports.

#### 2 Statutory Information

- 2.1 The table below details key information regarding the company and the liquidation.

Company name:	Cimex Digital Limited – In Liquidation
Registered office:	9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP
Former registered office:	The Old Bakehouse, 156 Watling Street East, Towcester, NN12 6DB
Registered number:	07700569
Date of winding up resolution:	13 September 2012
Joint Liquidators' names:	Gary Pettit and Gavin Bates
Joint Liquidators' address:	PBC Business Recovery & Insolvency Ltd ("PBC"), 9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP
Joint Liquidators' date of appointment:	13 September 2012 and 22 May 2014 respectively
Former Liquidator:	Alan R Price (formerly of this firm) who acted as liquidator from 13 September 2012 until he ceased to act on 22 May 2014 pursuant to an order of the High Court.

#### 3 Liquidators' Actions Since Last Report

- 3.1 Since my last report to creditors, the joint liquidators have undertaken the following actions:
- i. Dealt with all routine correspondence and emails relating to the case.
  - ii. Maintained and managed (including regular bank reconciliations) the office holder's estate bank account and cashbook.
  - iii. Reviewed the adequacy of the specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate).
  - iv. Undertaken periodic reviews of the progress of the case.
  - v. Prepared, reviewed and issued annual progress reports to creditors and members.
  - vi. Filed a return at Companies House.

- vii. Prepared and filed a Corporation Tax return.
- viii. Obtained information from the case records about employee claims.
- ix. *Completed documentation for submission to the Redundancy Payments Office.*
- x. Corresponded with employees regarding their claims.
- xi. Liaised with the Redundancy Payments Office regarding employee claims.
- xii. Dealt with creditor correspondence, emails and telephone conversations regarding their claims.
- xiii. Maintained up to date creditor information on the case management system.

3.2 The above list includes certain work that I am required by the insolvency legislation to undertake in connection with the liquidation but provides no financial benefit for the creditors.

#### 4 Receipts and Payments

4.1 My receipts & payments account for the period from 13 September 2016 to 12 September 2017 is attached.

4.2 The balance of funds is held in an interest bearing estate bank account.

#### 5 Assets

5.1 The following table details the current asset position.

Asset Type	Estimated to realise (£)	Realisations to date (£)
Book Debts	26,513	NIL
Cash at Bank	12,407	12,392.11
Bank Interest	NIL	203.14
Factoring Surplus	25,524	37,213.42
<b>Total</b>	<b>64,444</b>	<b>49,808.67</b>

5.2 Other than a small amount of bank interest, there have been no asset realisations in the period and creditors should refer to my previous reports.

5.3 As previously reported, the company's records show it was owed approximately £73,000 by a connected company, Cimex Media Limited (which is also in liquidation and creditors should note Messrs Pettit and Bates are joint liquidators). Any return on the debt due was dependent on a dividend from the liquidation of Cimex Media Limited, which was solely reliant on the outcome of the joint liquidator's investigations. However, these investigations have been finalised and the liquidation is in the process of being closed with no return to creditors.

#### 6 Investigation into the affairs of the company

6.1 My investigations into the company's affairs were completed prior to my previous report to creditors and are detailed in my previous reports.

## **7 Liabilities**

- 7.1 **Secured Creditors:** An examination of the company's mortgage register held by the Registrar of Companies, showed that the company has granted a debenture in favour of Lloyds TSB Commercial Finance. However, Lloyds were not owed any money at the date of liquidation.
- 7.2 **Preferential Creditors:** The statement of affairs anticipated £20,237 in preferential creditors. Claims totaling £27,486.48 have been received and admitted.
- 7.3 **Crown Creditors:** The statement of affairs included £109,809 owed to HMRC. To date, I have received a claim of £4,988 from HMRC.
- 7.4 The claim received differs from that anticipated because I have not received a claim from HMRC in relation to PAYE.
- 7.5 **Non-preferential unsecured Creditors:** The statement of affairs included one unsecured trade creditor of £7,470 and I have received a claim for this amount. In addition, I have received a claim from The Redundancy Payments Office for £14,070.

## **8 Dividends**

- 8.1 **Preferential creditors:** As indicated above, I have received preferential claims of £27,486.48
- 8.2 A distribution of 62.69 pence in the pound was made to preferential creditors on 20 July 2017.
- 8.3 **Non-preferential unsecured creditors:** As indicated above, I have received non-preferential unsecured claims of £27,238.37.
- 8.4 There will be no return to non-preferential unsecured creditors.

## **9 Pre-Appointment Remuneration**

- 9.1 The creditors previously authorised the payment of a fee of £5,000 for my assistance with preparing the statement of affairs and convening the meeting of creditors.
- 9.2 The fee for preparing the statement of affairs and convening and holding the meeting of creditors was paid from first realisations on appointment and is shown in the enclosed receipts and payments account.

## **10 Post Appointment Remuneration**

- 10.1 My remuneration was previously authorised by the creditors at a meeting held on 27 September 2012 to be drawn on a time cost basis. My total time costs to 12 September 2017 amount to £23,691.68 of which £3,854.73 representing 23.2 hours work, was charged in the period since 13 September 2016.

10.2 I have drawn £23,481.68 to 12 September 2017 of which £5,243.23 was drawn in the period since 13 September 2016.

10.3 A schedule of my time costs incurred to date and in the period since 13 September 2016 is attached, along with the PBC Business Recovery & Insolvency fee recovery policy.

10.4 A description of the routine work undertaken in the liquidation to date is as follows:

1. Administration and Planning

- Preparing the documentation and dealing with the formalities of appointment.
- Statutory notifications and advertising.
- Preparing documentation required.
- Dealing with all routine correspondence.
- Maintaining physical case files and electronic case details.
- Review and storage.
- Case bordereau.
- Case planning and administration.
- Preparing reports to members and creditors.
- Convening and holding meetings of members and creditors.

2. Cashiering

- Maintaining and managing the liquidator's cashbook and bank account.
- Ensuring statutory lodgements and tax lodgement obligations are met.

3. Creditors

- Dealing with creditor correspondence and telephone conversations.
- Preparing reports to creditors.
- Maintaining creditor information.
- Reviewing and adjudicating on proofs of debt received from creditors.

4. Investigations

- Review and storage of books and records.
- Prepare a return pursuant to the Company Directors Disqualification Act.
- Conduct investigations into suspicious transactions.
- Review books and records to identify any transactions or actions a liquidator may take against a third party in order to recover funds for the benefit of creditors.

5. Realisation of Assets

- Corresponding with debtors and attempting to collect outstanding book debts.
- Reviewing the likelihood of recovery of the connected debt.

6. Distributions

- Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.

- Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend.
- Paying tax deducted from the dividends paid to employees.

## 11 Liquidators' Expenses

11.1 Creditors authorised that I could draw category 2 disbursements on 27 September 2012.

11.2 I have incurred expenses to 12 September 2017 of £1,036.57 of which £15.96 was incurred in the period since 13 September 2016.

11.3 I have drawn £1,036.57 to date of which £15.96 was drawn in the period since 13 September 2016.

11.4 I have used the following agents or professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
ERA Solutions Ltd	Employment specialist	Agreed Fixed Fee

11.5 Messrs ERA Solutions Ltd are experienced in employee matters in insolvency and work with a number of different insolvency practitioners in respect of insolvency assignments.

11.6 The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I have reviewed the fees charged and am satisfied that they are reasonable in the circumstances of this case. It should also be noted that insolvency is a very specialist field. Therefore agents who work for insolvency practitioners have very specialist knowledge and skill set. There are limited numbers of agents available and they are therefore likely to be acting for this firm on a number of cases.

## 12 Creditors' Rights

12.1 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 receipt of this report. Any secured creditor may request the same details in the same time limit.

12.2 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 joint liquidators' 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.

12.3 Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3 is available at <http://www.pbcbusinessrecovery.co.uk/links>. Please note that there



are different versions of the guidance notes and in this case you should refer to November 2011 version. Please note we have provided further details in the attached practice fee recovery sheet.

### 13 Provision of Services Regulations

13.1 To comply with the Provision of Services Regulations, some general information about PBC can be found at <http://www.pbcbusinessrecovery.co.uk/provision-of-services-regulations>

### 14 Summary

14.1 The liquidation will remain open until the following matters have been fully resolved:

- I am waiting for several of the cheques paid to the preferential creditors to clear.

14.2 I estimate that this will take approximately 3 months and once resolved the liquidation will be finalised and our files will be closed.

14.3 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 Jamie Cochrane on 01604 212150, or by email at [jamiécochrane@pbcbusinessrecovery.co.uk](mailto:jamiécochrane@pbcbusinessrecovery.co.uk)



**GARY S PETTIT**  
Joint Liquidator

**Cimex Digital Limited - In Creditors Voluntary Liquidation  
Joint Liquidators' Abstract of Receipts & Payments**

**From 13 September 2016 To 12 September 2017**

<b>S of A £</b>		<b>From 13/09/16</b>	<b>From 13/09/12</b>
		<b>To 12/09/17</b>	<b>To 12/09/17</b>
<b>ASSET REALISATIONS</b>			
NIL	Connected Debtor	NIL	NIL
26,513.00	Book Debts	NIL	NIL
12,407.00	Cash at Bank	NIL	12,392.11
	Bank Interest Gross	4.60	16.82
	Bank Interest Net of Tax	NIL	186.32
25,524.00	Factoring Surplus	NIL	37,213.42
<u>64,444</u>		<u>4.60</u>	<u>49,808.67</u>
<b>COST OF REALISATIONS</b>			
	Specific Bond	NIL	(46.00)
	Statement of Affairs Fee	NIL	(5,000.00)
	Office Holders Fees	(5,243.23)	(23,481.68)
	Office Holders Expenses	(15.96)	(1,036.57)
	Agents/Valuers Fees (1)	(600.00)	(1,100.00)
	Corporation Tax	NIL	(29.60)
	Storage Costs	NIL	(67.12)
<u>NIL</u>		<u>(5,859.19)</u>	<u>(30,760.97)</u>
<b>PREFERENTIAL CREDITORS</b>			
NIL	Employee	(10,517.60)	(10,517.60)
(20,327.00)	Redundancy Payments Office	(6,713.92)	(6,713.92)
<u>NIL</u>		<u>(17,231.52)</u>	<u>(17,231.52)</u>
<b>UNSECURED CREDITORS</b>			
NIL	Employee	NIL	NIL
(109,808.02)	HM Revenue & Customs	NIL	NIL
(43,584.00)	Redundancy Payments Office	NIL	NIL
(7,470.00)	Trade Creditor	NIL	NIL
<u>NIL</u>		<u>NIL</u>	<u>NIL</u>
<u>64,444</u>		<u>(23,086.11)</u>	<u>1,816.18</u>

**REPRESENTED BY**

Vat Receivable	659.92
PBC re Cimex Digital Limited	<u>1,156.26</u>
	<u>1,816.18</u>

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**Gary Steven Pettit**  
Joint Liquidator

**Joint Liquidators' Remuneration Schedule**  
**Cimex Digital Limited**  
**Between 13 September 2012 and 12 September 2017**

Classification of work function	Partner/ Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	11.30	16.20	28.30	52.40	108.20	15,281.71	141.24
Investigations	1.30	0.10	2.20	0.40	4.00	800.59	200.15
Realisations	0.80	0.40	2.20	0.50	3.90	792.82	203.29
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	3.30	0.70	8.40	12.00	24.40	3,539.80	145.07
Case Specific Matters	0.00	1.00	4.40	10.00	15.40	1,990.78	129.27
Distributions	0.30	1.00	7.50	0.00	8.80	1,285.98	146.13
<b>Total hours</b>	<b>17.00</b>	<b>19.40</b>	<b>53.00</b>	<b>75.30</b>	<b>164.70</b>		
<b>Time costs</b>	<b>6,303.77</b>	<b>4,694.36</b>	<b>6,804.61</b>	<b>5,888.94</b>		<b>23,691.68</b>	
<b>Average hourly rate</b>	<b>370.81</b>	<b>241.98</b>	<b>128.39</b>	<b>78.21</b>			<b>143.85</b>

Description	Total Incurred £	Total Recovered £
Mileage	1.45	1.45
Advertising	223.90	223.90
Cheque fee	35.00	35.00
Postage/Stamps/Copying/Stationery	92.22	92.22
Companies House Services	2.00	2.00
Bordereau	272.00	272.00
Insolv Case Administration Fee	110.00	110.00
Global Transfer	300.00	300.00
<b>Totals</b>	<b>1,036.57</b>	<b>1,036.57</b>

**Summary of Fees**

Time spent in administering the Assignment	<b>Hours</b>	164.70
Total value of time spent to 12 September 2017	<b>£</b>	23,691.68
Total Joint Liquidators' fees charged to 12 September 2017	<b>£</b>	23,481.68

**Joint Liquidators' Remuneration Schedule  
Cimex Digital Limited  
Between 13 September 2016 and 12 September 2017**

Classification of work function	Partner/Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	2.80	3.20	3.20	5.00	14.20	2,559.96	180.28
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.20	0.20	8.80	44.00
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Distributions	0.30	1.00	7.50	0.00	8.80	1,285.98	146.13
<b>Total hours</b>	<b>3.10</b>	<b>4.20</b>	<b>10.70</b>	<b>5.20</b>	<b>23.20</b>		
<b>Time costs</b>	<b>1,170.61</b>	<b>1,147.18</b>	<b>1,300.69</b>	<b>236.26</b>		<b>3,854.73</b>	
<b>Average hourly rate</b>	<b>377.62</b>	<b>273.14</b>	<b>121.56</b>	<b>45.43</b>			<b>166.15</b>

Description	Total Incurred £	Total Recovered £
Postage/Stamps/Copying/Stationery	15.96	15.96
<b>Totals</b>	<b>15.96</b>	<b>15.96</b>

**Summary of Fees**

Time spent in administering the Assignment	<b>Hours</b>	23.20
Total value of time spent to 12 September 2017	<b>£</b>	3,854.73
Total Joint Liquidators' fees charged to 12 September 2017	<b>£</b>	23,481.68

## PRACTICE FEE RECOVERY POLICY FOR PBC BUSINESS RECOVERY & INSOLVENCY LTD

### Introduction

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

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <http://www.pbcbusinessrecovery.co.uk/links/>. The reader should note there are two versions of these guides and should refer to those titled Post-October 2015. Alternatively a hard copy may be requested from PBC Business Recovery & Insolvency Ltd, 9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP. 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.

### Charge-out Rates

Grade of staff	Current charge-out rate per hour, effective from 31 March 2017 (£)	Current charge-out rate per hour, effective from 31 March 2013 (£)
Partner (Appointment Takers)	380	377
Manager	275	215-271
Other Directors	230	176
Case Manager	180	176
Other Senior Professionals	120	119-120
Senior Case Administrator	75	55
Case Administrator	45	44
Junior Case Administrator		
Assistants & Support Staff		

These charge-out rates charged are reviewed on 31 March each year and are adjusted to take account of inflation and the firm's overheads.

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

- Administration and Planning.
- Investigations.
- Realisation of Assets.
- Creditors.
- Trading
- Case specific matters.

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

- Investigations
- Trading
- Distributions of funds to creditors and/or shareholders
- Case Specific Matters

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

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

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

#### **Percentage basis**

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The

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

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the 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 PBC Business Recovery & Insolvency Ltd and 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	40.00	Per formal meeting at firm's offices
Case File Storage & Destruction	20.00	Storage of case files for 6 years after case closure and final shredding – per case (Min. up to 4 case files). Additional files charged at £5 each.
Mileage	0.45	Per mile travelled
Card printing	0.17	Per sheet
Digital photographs	0.50	High Resolution digital photographs - each
Electoral Database Search	1.00	Use of commercial database of electoral rolls
Archive boxes	5.00	Per box
Files & dividers	3.50	Per file
Labels	0.50	Per sheet used
Photocopying	0.15	Per sheet used