

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 0 4 3 6 2 1

Company name in full Dispensing Components Distribution Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Mark Jonathan

Surname Botwood

3 Liquidator's address

Building name/number Regent House

Street Bath Avenue

Post town Wolverhampton

County/Region

Postcode W V 1 4 E G

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

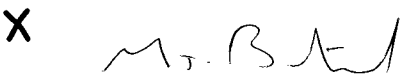

Country

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 1	^d 4	^m 1	^m 0	^y 2	^y 0	^y 2	^y 1				
To date	^d 1	^d 3	^m 1	^m 0	^y 2	^y 0	^y 2	^y 2				
7	Progress report											
<input checked="" type="checkbox"/> The progress report is attached												
8	Sign and date											
Liquidator's signature	Signature 											
Signature date	^d 0	^d 6	^m 1	^m 2	^y 2	^y 0	^y 2	^y 2				

**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 **Mark Jonathan Botwood**

Company name **Muras Baker Jones Ltd**

Address **Regent House**

Bath Avenue

Post town **Wolverhampton**

County/Region

Postcode **W V 1 4 E G**

Country

DX

Telephone **01902 393000**

**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

Dispensing Components Distribution Limited Trading as DCD Direct
(In Liquidation)
Liquidator's Summary of Receipts & Payments

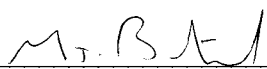
Statement of Affairs £	From 14/10/2021 To 13/10/2022 £	From 14/10/2019 To 13/10/2022 £
35,300.00	SECURED ASSETS	
	Book Debts	NIL
		NIL
(28,312.00)	SECURED CREDITORS	
	RBS Invoice Finance	NIL
		NIL
	ASSET REALISATIONS	
	Bank Interest Gross	2.12
230.00	Cash at Bank	3.63
1,151.00	Company Bank Account - RBS	230.00
NIL	Improvements to property	467.93
1,000.00	Plant, Machinery, furniture & equipmen	NIL
	Rates Refund	1,250.00
	Rent deposit	482.22
NIL	Research and Development	1,230.00
1,200.00	Shareholder Loan - S Cairn	NIL
1,000.00	Stock	NIL
		1,250.00
		4,913.78
	COST OF REALISATIONS	
	Corporation Tax	NIL
		0.19
		(0.19)
(14,161.84)	PREFERENTIAL CREDITORS	
	Employees Wage Arrears & holiday	NIL
		NIL
	UNSECURED CREDITORS	
(7,878.00)	Capital on Tap Credit card	NIL
(2,000.00)	Directors Loan Account - J Simmons	NIL
(4,057.00)	HM Revenue & Customs CT	NIL
(7,004.00)	HM Revenue & Customs PAYE	NIL
(30,673.00)	HM Revenue & Customs VAT	NIL
(8,196.00)	RBS Credit Card	NIL
(46,408.23)	Redundancy & Pay in Lieu	NIL
(17,600.00)	Shareholder Loan - J Somner	NIL
(44,048.81)	Shareholder Loan - M Yates Webb	NIL
(2,000.00)	Shareholder Loan - N Leadbeater	NIL
(62,540.80)	Trade & Expense Creditors	NIL
		NIL
	DISTRIBUTIONS	
(2,655.95)	Directors Loan Account - C Somner	NIL
(2,655.95)	Directors Loan Account - D Tomney	NIL
(40,000.00)	Ordinary Shareholders	NIL
		NIL
(280,310.58)		2.12
	REPRESENTED BY	4,913.59
	Interest Bearing Current Account	4,913.59
		4,913.59

Note:

**Dispensing Components Distribution Limited Trading as DCD Direct
(In Liquidation)
Liquidator's Summary of Receipts & Payments**

Statement of Affairs £	From 14/10/2021 To 13/10/2022 £	From 14/10/2019 To 13/10/2022 £
---------------------------------------	--	--

The above figures are net of VAT



Mark Jonathan Botwood
Liquidator



Muras Baker Jones Limited
Regent House
Bath Avenue
Wolverhampton
WV1 4EG

T: 01902 393000
F: 01902 393010
E: enquiries@murasko.uk
W: www.murasko.uk

Insolvency Services
T: 01902 393007

LIQUIDATOR'S PROGRESS REPORT TO CREDITORS AND MEMBERS FOR THE YEAR ENDING 13 OCTOBER 2022

Dispensing Components Distribution Limited trading as Trading as DCD Direct ("the
Company") – In Creditors' Voluntary Liquidation

EXECUTIVE SUMMARY

As previously reported the company ceased to trade on the 27 September 2019 prior to my appointment as Liquidator of the company. The strategy on appointment was to ensure maximum asset realisations and investigate transactions to any possible recovery claims.

Agents were appointed to arrange the sale of company stock and assets.

Trade debtor collections were undertaken by RBS Invoice financing as the company was subject to a factoring arrangement. This was overviewed by my staff and records supplied as necessary.

Corresponding with the pension regulator regarding the Company pension scheme

Dealing with the landlord and surrender of the premises lease

Investigations have been concluded.

There is no anticipated dividend prospects for any class of creditor.

The company had returned a rent deposit not previously known about

During the year creditors authorised the basis of the liquidators remuneration.

The liquidation is to be completed after the reporting period.

After taking into account asset realisations, together with fees and expenses incurred to date, together with estimated future realisations, fees and expenses, I will not be able to make a distribution to any class of creditor.

STATUTORY INFORMATION

Company name: Dispensing Components Distribution Limited trading
as Trading as DCD Direct

Registration number: 07043621

Principal Trading Address: Unit 10 Strawberry Lane Ind Est, Strawberry Lane,
Willenhall, WV13 3RS

Registered Office: c/o Muras Baker Jones, Regent House, Bath Avenue,
Wolverhampton, WV1 4EG

Principal trading activity: Manufacture of fuel monitoring equipment

Liquidator's names: Mark Jonathan Botwood

Liquidator's address: 3rd Floor, Regent House, Bath Avenue,
Wolverhampton, WV1 4EG

Liquidator's contact details: mark.botwood@muras.co.uk and 01902 393000.

Date of appointment: 14 October 2019

LIQUIDATOR'S ACTIONS SINCE LAST PROGRESS REPORT

During the year approval for the basis of the liquidator's remuneration was approved.

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 the last progress report is contained in Appendix A

RECEIPTS AND PAYMENTS

My Receipts & Payments Account for the period from 14 October 2021 to 13 October 2022 and for the period from 14 October 2019 to 13 October 2022 is attached. All amounts are shown net of VAT. I have reconciled the account against the financial records that I am required to maintain.

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

ASSETS

Details of assets realisation are included in previous reports

Bank interest received during the reporting period totals £2.12

LIQUIDATOR'S REMUNERATION

My remuneration was approved by the creditors on 22 December 2021 on a fixed fee of £5,000 for my work in respect of Administration, Realisation, Creditors and case specific.

I have not yet drawn any remuneration in respect of work done for which my fees were approved as a fixed fee.

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 Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees//page/1>. There are different versions of these Guidance Notes, and in this case please refer to the most recent version. Please note that we have also provided further

information about an office holder's remuneration and expenses in our practice fee recovery sheet, which is enclosed..

LIQUIDATOR'S EXPENSES

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Expenses are split into:

- category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
- category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an office holder's remuneration.

Category 1 expenses

I have not incurred any the category 1 expenses since the last progress report.

I have incurred total expenses of £546.43 , of which I incurred £0.38 in the period since 13 October 2021.

Nature of category 1 expense	Amount incurred/ accrued in reporting period	Amount incurred/ accrued in total	Amount unpaid
Bonding	£nil	£80	£80
Statutory advertising	£nil	£134.32	£134.32
Postage	£nil	£81.54	£81.54
Valuation and sale agent	£nil	£250	£250
Corporation tax	£0.38	£0.57	£0.38
Total	£0.38	£546.43	£546.24

I have paid category 1 expenses of £0.19 to date, of which £nil was paid in the reporting period, as indicated in the attached receipts and payments account.

Comparison of estimated expenses with actual expenses incurred

Nature of expense	Estimated expenses	Expenses incurred to date
Bonding	£80	£80
Statutory advertising	£134.32	£134.32
Postage	£81.54	£81.54
Valuation and sale agent	£250	£250
Corporation tax	£0.19	£0.38
Total	£546.05	£546.24

As you can see above, the total expenses I have incurred to date are in line with the total expenses I estimated I would incur when my remuneration was approved and I do not expect to exceed my estimate of expenses.

LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has granted the following charges

Asset Advantage Ltd – fixed charge created 14 July 2017

Asset Advantage Ltd – Fixed and floating charge created 12 July 2017

RBS Invoice Finance Ltd – created 21 February 2011

No claims have been received from any secured creditors and no payments have been made.

Preferential Creditors

The statement of affairs anticipated £14,161.84 in respect of the preferential creditors of employees. Claims totaling £Nil have been received.

Crown Creditors

The statement of affairs included £41,734 owed to HMRC. HMRC's claim has not been received.

Non-preferential unsecured Creditors

The statement of affairs included 37 non-preferential unsecured creditors with an estimated total liability of £149,575.57. I have received claims from 10 creditors at a total of £35,242.30. I have not received claims from 27 creditors with original estimated claims in the statement of affairs of £114,333.27.

DIVIDEND PROSPECTS

Floating charge creditors

After taking into account asset realisations, together with fees and expenses incurred to date, together with estimated future realisations, fees and expenses, I will not be to make any distribution to the creditor holding a floating charge over the assets of the Company.

Preferential Creditors

After taking into account asset realisations, together with fees and expenses incurred to date, together with estimated future realisations, fees and expenses, I will not be able to pay any dividend to preferential creditors.

Non-preferential unsecured Creditors

After taking into account asset realisations, together with fees and expenses incurred to date, together with estimated future realisations, fees and expenses, I will not be able to pay any dividend to non-preferential unsecured creditors, or make a distribution of the prescribed part, as detailed below.

As previously advised, the Company gave a floating charge to RBS Invoice Finance Ltd on 21 February 2011 and the prescribed part provisions will apply. On the basis of realisations to date, together with

estimated future realisations, and after taking into account the costs of the Liquidation to date, the net property of the Company is £Nil, and I estimate that the prescribed part of the net property for unsecured creditors is £Nil. However, these estimates do not take into account future costs, which will reduce the amount of the Company's net property.

Since the Company's net property is less than £10,000, the insolvency legislation does not require me to distribute the prescribed part of the net property to creditors if I think that the costs of distributing the prescribed part would be disproportionate to the benefits to creditors. I am of the view that the costs of distribution would be disproportionate and so will not be making a distribution of the prescribed part of the net property to non-preferential unsecured creditors.

FURTHER INFORMATION

An unsecured creditor may, with the permission of the Court, or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Liquidator's remuneration and expenses within 21 days of their receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Liquidator as being excessive, and/or the basis of the Liquidator's remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about Muras Baker Jones Ltd can be found at <https://muras.co.uk/wp-content/uploads/2022/10/information-requirement-of-the-provision-of-services-regulations-2009-2-1.pdf>.

SUMMARY

The Liquidation will now be finalised and our files will be closed. I estimate that this will take approximately 2 months and once resolved the Liquidation will be finalised and our files will be closed.

If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Mark Jonathan Botwood on 01902 393000, or by email at mark.botwood@muras.co.uk.



Mark Jonathan Botwood
LIQUIDATOR

Mark Botwood is licensed to act as an Insolvency Practitioner in the UK by The Institute of Chartered Accountants in England & Wales

Appendix A Details of Work undertaken to date

Administration

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

Case planning - devising an appropriate strategy for dealing with the case and giving instructions to staff to undertake the work on the case.

Convening a decision procedure to seek a decision from creditors to approve the basis of remuneration.

Dealing with all routine correspondence and emails relating to the case.

Maintaining and managing the estate bank account.

Maintaining and managing a cashbook.

Undertaking regular bank reconciliations of the estate bank account.

Reviewing the adequacy of the specific penalty bond on a quarterly basis.

Undertaking periodic reviews of the progress of the case.

Overseeing and controlling the work done on the case by case administrators.

Preparing, reviewing and issuing annual progress reports to creditors and members.

Filing returns at Companies House.

Preparing and filing VAT returns.

Preparing and filing Corporation Tax returns.

Realisation of assets:

This represents the work involved in the protection and realisation of assets, which is undertaken directly for the benefit of creditors.

Creditors

Claims of creditors - the office holder needs to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder also needs to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of their statutory functions

. Employees - The office holder needs to deal with the ex-employees in order to ensure that their claims are processed appropriately by the Redundancy Payments Service. The office holder is required to undertake this work as part of their statutory functions.)

Dealing with creditor correspondence, emails and telephone conversations regarding their claims.

Maintaining up to date creditor information on the case management system.

Investigations:

The insolvency legislation gives the office holder powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure, and also in respect of matters such as misfeasance and wrongful trading. The office holder is required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors.

**Dispensing Components Distribution Limited Trading as DCD Direct
(In Liquidation)
Liquidator's Summary of Receipts & Payments**

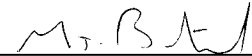
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		NIL	NIL
	SECURED CREDITORS		
(28,312.00)	RBS Invoice Finance	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
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(2,655.95)	Directors Loan Account - D Tomney	NIL	NIL
(40,000.00)	Ordinary Shareholders	NIL	NIL
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(280,310.58)		2.12	4,913.59
	REPRESENTED BY		
	Interest Bearing Current Account		4,913.59
			4,913.59

Note:

**Dispensing Components Distribution Limited Trading as DCD Direct
(In Liquidation)
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Statement of Affairs £	From 14/10/2021 To 13/10/2022 £	From 14/10/2019 To 13/10/2022 £
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The above figures are net of VAT



Mark Jonathan Botwood
Liquidator

MURAS BAKER JONES LIMIED

PRACTICE FEE RECOVERY POLICY

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.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/guide-to-liquidators-fees/>

Alternatively, a hard copy may be requested from Muras Baker Jones Limited, Regent House, Bath Avenue, Wolverhampton, WV1 4EG. 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).
- 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 1 July 2022	Previous charge-out rate per hour, effective from 1 July 2021 to 30 June 2022
	£	£
Director – appointment taker	357	340
Manager	250	-
Case Administrator	200	190
Junior Case Administrator	100	-
Support Staff	50	36

Where necessary and appropriate, members of staff from other departments of the practice will undertake work on a case. They will be charged at their normal charge out rates for undertaking such work, as follows:-

Grade of staff	Current charge-out rate per hour, effective from 1 July 2022	Previous charge-out rate per hour, effective from 1 July 2021 to 30 June 2022
	£	£
Tax Director	329	313
Assistant tax manager	140	133
Corporate Services Manager	139	132
Payroll assistant	62	59

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 on 1 July each year 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 direct costs that will be included in respect of work undertaken in respect of each of the standard categories of work listed below where the office holder is to be remunerated for such work on either a percentage or fixed fee basis are all costs incurred in administering the estate apart from those expenses charged to the estate as Category 1 expenses and category 2 expenses.

- Case Administration (including statutory reporting)
- Realisation of Assets
- Investigations
- Creditors (claims and distributions)

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:-

Mileage	45p per mile
Photocopying	7.5p per sheet

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;
- Quantity Surveyors;
- Estate Agents;
- Pension specialists;
- Employment Claims specialists; and
- GDPR/Cyber Security specialists.

Where FBC Manby Bowdler Solicitors LLP are instructed by the office holder as a professional advisor to assist in administering a case they will be regarded as an associate. The firm and some of its partners are clients of the office holders practice for accountancy and taxation services, and have a long term professional relationship with the office holder and the office holders practice in providing legal advice on insolvency matters, and legal advice to clients of the practice. The firm is independent of the office holders practice. Their fees will be on a time costs basis with reference to their normal charge out rates.

Their current charge out rates are as follows:-

Grade of staff	Current charge-out rate per hour, effective from 1 April 2022	Previous charge-out rate per hour, effective from 1 April 2021 to 31 March 2022
	£	£
Partners	295	280
Senior Associate	270	260
Associate/Team leader	260	250
Senior Solicitor	250	245
Senior Solicitor & Legal Exec	245	235
Solicitor/Legal Exec band 2	220	215
Solicitor/Legal Exec band1	210	195
Paralegal/Trainee	160	155
Cost Drafting	160	155
Support staff	115	115

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.