

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 9 0 6 1 2 2 3

Company name in full TWO BROS RESTAURANT BRANDS 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)

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 6	^m 0	^m 7	^y 2	^y 0	^y 1	^y 9
To date	^d 1	^d 5	^m 0	^m 7	^y 2	^y 0	^y 2	^y 0

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X 

X

Signature date	^d 1	^d 4	^m 0	^m 9	^y 2	^y 0	^y 2	^y 0
----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

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 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

**TWO BROS RESTAURANT BRANDS LIMITED – IN CREDITORS' VOLUNTARY
LIQUIDATION**

**LIQUIDATORS' PROGRESS REPORT TO CREDITORS AND MEMBERS FOR THE YEAR
ENDING 15 JULY 2020**

1 Introduction

- 1.1 This is my report to members and creditors following the second 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:	Two Bros Restaurant Brands Limited – In Liquidation
Previous Name:	MW Brands Ltd
Registered office:	9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP
Former registered office:	Unit 1B Star City Nechells Birmingham B7 5BA
Registered number:	09061223
Date of winding up resolution:	16 July 2018
Liquidator's name:	Gary Pettit
Liquidator's address:	PBC Business Recovery & Insolvency Ltd ("PBC"), 9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP
Liquidators' date of appointment:	16 July 2018
Former Liquidator:	Creditors should note Mr Bates has left PBC Business Recovery & Insolvency Ltd. The joint liquidators have concluded it is no longer necessary for there to be two liquidators on this case. Accordingly, Mr Bates has resigned as liquidator and the liquidation will continue unaffected with Mr Pettit as sole liquidator. In accordance with legislation, his resignation became effective on 4 February 2019.

3 Liquidators' Actions Since Last Report

- 3.1 Since my last report to creditors, the liquidator has undertaken the following actions:
- i. Realised the assets of the company as detailed below.

- ii. Investigated the affairs of the company as detailed below.
- iii. Dealt with all routine correspondence and emails relating to the case.
- iv. Maintained and managed (including regular bank reconciliations) the office holder's estate bank account and cashbook.
- v. 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).
- vi. Undertaken periodic reviews of the progress of the case.
- vii. Prepared, reviewed and issued annual progress reports to creditors and members.
- viii. Filed returns at Companies House.
- ix. Prepared and filed VAT returns.
- x. Prepared and filed Corporation Tax returns.
- xi. Dealt with creditor correspondence, emails and telephone conversations regarding their claims.
- xii. 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 16 July 2019 to 15 July 2020 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 (£)
Plant & Machinery	1.00	20,000.00
Book Debts	-	6,994.28
Cash at Bank	24,016.39	24,016.39
Bank Interest Gross	-	51.61
Lump Sum Settlement	-	7,500.00
Total	24,017.39	58,562.28

5.2 I would comment further as follows:

5.3 **Debtors:** I have received £6,994.28 which represents funds held at the date of liquidation by the operator of a credit card terminal.

5.4 **Other Assets:** The following assets were realised in the period:

- i As outlined below, I am currently investigating the affairs of the company prior to liquidation. I have assigned the rights of any actions I may have to a third party and a payment on account of £5,000 has been received.

6 Investigation into the affairs of the company

- 6.1 I undertook an initial investigation into the company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation and the costs involved.
- 6.2 As previously reported, I am investigating various matters regarding the company's trading practices in general, but am unable to comment further as it could prejudice any action I consider is required.
- 6.3 As outlined above, I have assigned the rights to any actions I may have to a third party, who are assisting in funding my investigations.

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 the following charges:

Name of Chargeholder:	Santander UK Plc
Date Charge Registered:	9 November 2015
Type of Security	Fixed and floating charge
Claim on statement of affairs	£2,000,000
Claim received to date:	Nil

The directors have stated this charge relates to a third party guarantee provided for the lending of a connected party company and no claim is anticipated in the liquidation.

- 7.2 **Preferential Creditors:** The statement of affairs anticipated no in preferential creditors and no claims have been received.
- 7.3 **Crown Creditors:** The statement of affairs included £150,009.65 owed to HMRC. HMRC's final claim of £3,363,831.82 has been received.
- 7.4 As reported last year, the directors dispute this claim in its entirety and, through their advisors, insisted the liquidator lodged an appeal and applied to court in this regard.
- 7.5 A settlement was agreed whereby the liquidator would instruct a tax barrister upon receipts of funds from the directors, and costs were awarded against the directors. I am aware some of the latter costs have been received by the directors but I am yet to receive the full details from my

solicitors so these funds are not shown on the receipts and payments account. A full update will be provided to creditors in due course.

7.6 **Non-preferential unsecured Creditors:** The statement of affairs included 14 non-preferential unsecured creditors with an estimated total liability of £545,821.50. I have received claims from 12 creditors at a total of £600,287.84 I have not received claims from 2 creditors with original estimated claims in the statement of affairs of £19,440.00

7.7 I have written to some of the creditors requesting further evidence in support of their claim and, despite sending reminders, none of those creditors have replied. Accordingly, the overall amount claimed in the liquidation may reduce as some of these claims may be formally rejected.

8 Dividends

8.1 **Non-preferential unsecured creditors:** As indicated above, I have received non-preferential unsecured claims of £3,964,119.66.

8.2 The legislation requires that if the company has created a floating charge after 15 September 2003, a prescribed part of the company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors.

8.3 As previously advised, the company gave a floating charge to Santander UK plc on 9 November 2015 and the prescribed part provisions will apply, should a claim be received (which is not expected). 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 the future costs of the liquidation, which will reduce the amount of the company's net property.

8.4 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.

8.5 Any return to non-preferential unsecured creditors is dependent on the outcome of my investigations.

9 Pre-Appointment Remuneration

9.1 The creditors previously authorised the payment of a fee of £10,000 for the assistance of Alexander Lawson Jacobs, the company's nominated insolvency practitioner, with preparing the statement of affairs and convening the decision procedure of the 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 Liquidators' Remuneration

- 10.1 My remuneration was previously authorised on a mixture of a fixed fee, a scale rate on realisations and on a time cost basis.
- 10.2 **Fixed Fee:** I was authorised to draw a fixed fee of £11,000 for my work in respect of administration & planning and dealing with creditors.
- 10.3 I have drawn £11,000.00 to 15 July 2020, all of which was drawn in the period since 16 July 2020, in respect of work done for which my fees were approved as a fixed fee.
- 10.4 **Time Costs:** I was authorised to draw time costs for my work in respect of realisations, investigations, case specific matters and distributions. This approval was based on my fees estimate of £130,182.00. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors.
- 10.5 My total time costs for such work to 15 July 2020 amount to £88,611.50 at an average charge out rate of £296.56 per hour, of which £35,905.00 was charged in the period since 16 July 2019, at an average charge out rate of £352.01 per hour.
- 10.6 The actual average charge out rate incurred compares with the estimated average charge out rate of £267.82 in my fees estimate.
- 10.7 I have drawn £24,016.57 to 15 July 2020, all of which was drawn in the period since 16 July 2019 in respect of work done for which my fees were approved on a time cost basis.
- 10.8 A detailed schedule of my time costs incurred to date on the above categories and since 16 July 2019 compared with my original fees estimate is attached.
- 10.9 As at the date of reporting, I anticipate that the total time costs I will incur in this matter, in respect of the categories of work for which I am being remunerated on a time cost basis, will exceed the total estimated remuneration I set out in my fees estimate when my remuneration was authorised. Currently I do not intend to draw remuneration in excess of the fees estimate and so will not be seeking a decision to increase my fees estimate.

11 Liquidators' Expenses

- 11.1 Creditors authorised that I could draw category 2 disbursements on 20 September 2019.
- 11.2 I have incurred expenses to 15 July 2020 of £799.02 of which £315.46 was incurred in the period since 16 July 2019.
- 11.3 I have drawn £793.02 to date, all of which was drawn in the period since 16 July 2019.
- 11.4 I have used the following agents or professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
Neil Davies & Partners	Solicitors	Time costs – to be drawn when agreed.

11.5 Messrs Neil Davies & Partners are solicitors who specialise in corporate recovery and insolvency advice. They have many years of experience and work with a number of different insolvency practitioners.

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 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.

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 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.

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 April 2017 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. My investigations and any subsequent asset realisations are complete.

14.2 I estimate that this will take approximately 18 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 by email at jamiecochrane@pbcbusinessrecovery.co.uk


PP **GARY S PETTIT**
Liquidator

Two Bros Restaurant Brands Limited T/A Oodles Pan Asian/Khans - In Creditors Voluntary Liquidation
Liquidator's Abstract of Receipts & Payments

From 16 July 2019 To 15 July 2020

S of A £		From 16/07/19	From 16/07/18
		To 15/07/20	To 15/07/20
ASSET REALISATIONS			
1.00	Plant & Machinery	NIL	20,000.00
	Book Debts	6,994.28	6,994.28
24,016.39	Cash at Bank	NIL	24,016.39
	Bank Interest Gross	18.78	51.61
	Lump Sum Settlement	7,500.00	7,500.00
24,017.39		14,513.06	58,562.28
COST OF REALISATIONS			
()	Liquidators' Fees - Time Costs	(24,016.57)	(24,016.57)
()	Petitioners Costs	NIL	(902.40)
()	Statement of Affairs Fee	NIL	(10,000.00)
()	Agents/Valuers Fees (1)	NIL	(300.00)
()	Legal Fees	(818.52)	(8,416.52)
()	Storage Costs	(231.00)	(231.00)
()	Statutory Advertising	NIL	(142.00)
()	Liquidators' Expenses	(793.02)	(793.02)
()	Liquidators' Fees - Fixed Fee	(11,000.00)	(11,000.00)
NIL		(36,859.11)	(55,801.51)
UNSECURED CREDITORS			
(2,417,118.65)	Trade Creditor	NIL	NIL
(2,417,118.65)		NIL	NIL
(2,393,101.26)		(22,346.05)	2,760.77

REPRESENTED BY

Vat Receivable
PBC re Two Bros Restaurant Brands Ltd

2,760.37

0.40

2,760.77

Gary Steven Pettit
Liquidator

Remuneration Schedule for: Two Bros Restaurant Brands Limited

Between 16/07/2018 and 15/07/2020

TIME COSTS

Classification of work function	Partner/Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate	Time costs as detailed in Fee Estimate
Investigations	77.20	112.40	-	27.30	216.90	57,247.50	263.93	89,490.00
Realisations	52.20	0.60	-	-	52.80	20,793.00	393.81	15,532.00
Case Specific Matters	24.10	3.70	-	-	27.80	10,077.00	362.48	20,175.00
Distributions	1.30	-	-	-	1.30	494.00	380.00	4,985.00
Total hours	154.80	116.70	-	27.30	298.80			
Time costs	60,828.00	26,555.00	-	1,228.50		88,611.50		130,182.00
Average hourly rate	392.95	227.55	-	45.00			296.56	

Total Time Cost Fees charged to 15/07/2020

£24,016.57

EXPENSES

Description	Total Incurred £	Total Recovered £
Mileage	116.54	116.54
Postage/Stamps/Copying/Stationery	19.97	19.97
Parking	14.30	14.30
Staff meals/subsistence	9.20	9.20
Bordereau	400.00	400.00
Insolv Case Administration Fee	110.00	110.00
Travelling costs	123.01	123.01
Land Registry	6.00	-
Totals	799.02	793.02

Remuneration Schedule for: Two Bros Restaurant Brands Limited

Between 16/07/2019 and 15/07/2020

TIME COSTS

Classification of work function	Partner/Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate	Time costs as detailed in Fee Estimate
Investigations	21.40	43.90	-	-	65.30	21,291.00	326.05	89,490.00
Realisations	28.10	0.40	-	-	28.50	11,356.00	398.46	15,532.00
Case Specific Matters	8.00	0.20	-	-	8.20	3,258.00	397.32	20,175.00
Distributions	-	-	-	-	-	-	-	4,985.00
Total hours	57.50	44.50	-	-	102.00			
Time costs	23,000.00	12,905.00	-	-		35,905.00		130,182.00
Average hourly rate	400.00	290.00	-	-			352.01	

Total Time Cost Fees charged to 15/07/2020 £24,016.57

EXPENSES

Description	Total Incurred £	Total Recovered £
Mileage	30.50	30.50
Staff meals/subsistence	1.95	1.95
Bordereau	216.00	216.00
Travelling costs	61.01	61.01
Land Registry	6.00	-
Totals	315.46	309.46

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 via a decision procedure, 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/>. 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.

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 2019 (£)	Current charge-out rate per hour, effective from 31 March 2017 (£)
Partner (Appointment Takers)		400	380
Manager	Associate	290	275
	Case/Operations Manager	240	230
Other Senior Professionals	Senior Case Administrator	190	180
	Case Administrator	125	120
	Junior Case Administrator	80	75
Assistants & Support Staff		45	45

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.
- Distributions

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 generally now only seek time costs for the following categories:

- Realisation of Assets
- 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 most Individual Voluntary Arrangements and most 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
Mileage	0.45	Per mile travelled
	0.05	Passenger payment (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