Rule 4 49C

Form 4 68

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192 of the Insolvency Act 1986

To the Registrar of Companies

Company Number

07751837

Name of Company

Absdec Ltd

I / We

Kate Elizabeth Breese, Oxford Chambers, Oxford Road, Guiseley, Leeds, LS20 9AT

the liquidator(s) of the company attach a copy of my/our Progress Report under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 03/09/2015 to 02/09/2016

Signed ____________________ Date 26 October 2016

Walsh Taylor
Oxford Chambers
Oxford Road
Guiseley
Leeds
LS20 9AT

Ref ABS0002/KB/PS/VP/DG/MT/SB

FRIDAY

A5IKAQ3O

A18 28/10/2016 #293

COMPANIES HOUSE

Absdec Ltd
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs		From 03/09/2015 To 02/09/2016
	ASSET REALISATIONS	
NIL	Plant & Machinery	NIL
	Contribution to Costs	2,859 29
	Bank Interest Gross	0 77
		2,860 06
	COST OF REALISATIONS	
	Specific Bond	10 00
	Preparation of S of A	1,560 00
	Liquidator Fees	417 19
	Tax on Bank Interest	0 12
	Disbursements - Category 2	175 00
	Statutory Advertising	222 75
		(2,385 06)
	PREFERENTIAL CREDITORS	
(1,040 00)	Employee Arrears/Hol Pay	NIL
		NIL
	UNSECURED CREDITORS	
(6,109 91)	Trade & Expense Creditors	NIL
(1,040 00)	Employees	NIL
(5,400 00)	HM Revenue & Customs - PAYE/NI	NIL
(29,000 00)	HM Revenue & Customs - VAT	NIL
		NIL
	DISTRIBUTIONS	
(500 00)	Ordinary Shareholders	NIL
		NIL
(43,089 91)		**475 00**
	REPRESENTED BY	
	Vat Receivable	127 99
	Bank Current a/c	0 01
	Vat Control Account	347 00
		475 00

Kate Elizabeth Breese
Liquidator

Absdec Ltd - In Liquidation

Company No: 07751837

<u>Liquidator's Annual Progress Report to Creditors</u>

Pursuant to S104A of the Insolvency Act 1986

26 October 2016

Registered Office
Walsh Taylor
Oxford Chambers
Oxford Road
Guiseley
Leeds
LS20 9AT

CONTENTS

1 Introduction

2 Realisation of Assets

3 Investigations

4 Creditors

5 Liquidator's Remuneration, Disbursements and Expenses

6 Matters Outstanding

ENCLOSURES

A Liquidator's Receipts and Payments Account for the period 03 September 2015 to 02 September 2016

B Time Analysis for the 03 September 2016 to 02 September 2016

C Liquidator's Disbursements and Expenses

D Creditors' Guide to Fees & Walsh Taylor's Charging and Disbursement Rates

1 Introduction

1 1 I am writing to provide creditors with my first report on the progress in the liquidation of Absdec Ltd (the **Company**) I am obliged by Statute to send this report to all known creditors of the Company and to file a copy of it at Companies House I was appointed Liquidator of the Company at meeting of members and creditors held on 03 September 2015

1 2 The following narrative commentary is provided in order to assist creditors in understanding the fees and expenses estimates and my approach to this assignment during the period under report

1 3 I enclose at Appendix A an account of the Liquidator's Receipts and Payments for the year ended 02 September 2016, with a comparison to the Director s Statement of Affairs values

2 Realisation of Assets

2 1 The Company's assets were shown by the Director in her estimated statement of affairs as at 03 September 2015 to be

Asset Type	Book Value £	Estimated to Realise £
Plant & Machinerey	£240 00	£ Nil

2 1 The Company had no tangible or current assets of any realisable value as at the date of Liquidation

2 2 The Director has personally contributed the sum of £2,859 29 to cover the costs of the Liquidation The entirety of this sum has been received during this report period

2 3 Gross Bank Interest has been received at £0 77

2 4 Total asset realistions to date in the Liquidation are therefore Nil This concludes the matter of asset realisations

3 Case Strategy

3 1 My overall strategy for the liquidation was to realise the Company's assets as expeditiously as possible (which work also includes carrying out investigations to ensure that all valuable assets have been identified) As explained below, this part of my work is completed

3 2 It is now clear, no asset realisations have been achieved in the Liquidation, in addition to this there will be no dividend for any class of creditor in the liquidation Formal Notice to this effect is given later in this report

3 3 No non-statutory reports have been issued by the Liquidator to any person

4 Investigations

4 1 In accordance with the Company Directors Disqualification Act 1986 I have submitted a report on the conduct of the Director of the Company to The Department for Business Innovation and Skills (BIS) As this is a confidential report, I am not able to disclose the contents

4 2 I also have a duty to investigate the extent of the Company's assets including potential claims against third parties including the Director, and to report my findings, subject to considerations of privilege and confidentiality and whether those investigations and/or any potential litigation might be compromised

4 3 The preliminary assessment of the conduct of the Company's affairs prior to winding up did not reveal any further matters that it was in the interest of creditors for the Liquidator to pursue

Accordingly I am not conducting or proposing to conduct any further, more detailed investigations however I will of course continue to monitor the Company's situation

5 Creditors

Secured Creditors and the Prescribed Part

5 1 There are no secured creditors in this liquidation and accordingly the Prescribed Part provisions of the Insolvency Act 1986 do not apply to the Company

Preferential Creditors

5 2 There are no preferential creditors in this liquidation

Unsecured Creditors

5 3 The Liquidator has received claims totalling £4,701 53 from 2 creditors I have yet to receive claims from 4 creditors whose debts total £39,543 72 as per the Director's Statement of Affairs

Notice of no dividend

5 4 All assets have been realised and will be utilised fully in contributing towards defraying the administrative costs of the liquidation

5 5 Accordingly, Formal Notice is hereby given in accordance with Rule 11 7 that no funds are expected to become available to enable any form of distribution to be made to any form of creditor

6 Liquidator's Remuneration, Disbursements and Expenses

Basis of the Liquidator's remuneration

6 1 At the initial meeting of creditors held pursuant to Section 98 of the Act on 03 September 2016 it was resolved that the Liquidator would be remunerated by reference to the time properly spent in dealing with this matter at Walsh Taylor's standard charging rates, and that her disbursements would be drawn in accordance with Walsh Taylor's standard tariff (see Appendix D)

6 2 Walsh Taylor's charge out rates increased on 01 February 2016 A copy of the same are attached

Remuneration charged and disbursements incurred

6 3 In aggregate, the Liquidator's post liquidation time costs as at 02 September 2016 total £4,039 00 in respect of 22 25 hours at an average hourly rate of £181 53

6 4 Disbursements incurred are summarised at Appendix C

Remuneration and disbursements drawn

6 5 As at the date of this report the sum of £417 19 has been drawn by way of Liquidator's remuneration

6 6 Details of disbursements drawn are set out in Appendix C

Liquidation expenses charged and drawn

6 7 Details of the costs incurred and paid by the Liquidator in relation to liquidation expenses are also attached at Appendix C

6 8 I have been and will continue be assisted in the performance of my duties by a Case Manager, a Case Administrator and by Support Staff, who have the day to day conduct of it and who will help me to ensure that work done is carried out at the appropriate grade, having regard to its complexity I have not and do not envisage using any sub-contractors on this case

6 9 I comment specifically that at the first meeting of creditors held on 03 September 2015 it was resolved that the fees and disbursements of Walsh Taylor for assisting the Directors in convening the statutory meetings to place the Company into liquidation and for assistance in preparing the Statement of Affairs would be a set fee of £2,400 00 inclusive of VAT, to be paid out of the assets of the Company, together with disbursements incurred

6 10 The sum of £1,560 00 has been drawn in this respect

Creditors' Guide to Fees and Statement of Creditors' Rights

6 11 If you require any further information with respect to a Liquidator's remuneration, disbursements and expenses, please see Appendix D This document also includes a statement of creditors' rights

7 Conclusion

7 1 Asset realisations have now concluded

7 2 Accordingly, the estimated timescale for closure is dependent upon the above

Matters Outstanding

- Closing formalities

7 2 If you require any further information please do not hesitate to contact me at the above address

Yours faithfully

Kate Elizabeth Breese
Liquidator
Enc

Absdec Ltd
(In Liquidation)

Liquidator's Summary of Receipts and Payments
To 02 September 2016

RECEIPTS	Statement of Affairs (£)	Total (£)
Plant & Machinery	NIL	0 00
Contribution to Costs		2,859 29
Bank Interest Gross		0 77
		2,860 06
PAYMENTS		
Specific Bond		10 00
Preparation of S of A		1,560 00
Liquidator Fees		417 19
Tax on Bank Interest		0 12
Disbursements - Category 2		175 00
Statutory Advertising		222 75
Employee Arrears/Hol Pay	(1,040 00)	0 00
Trade & Expense Creditors	(6,109 91)	0 00
Employees	(1,040 00)	0 00
HM Revenue & Customs - PAYE/NI	(5,400 00)	0 00
HM Revenue & Customs - VAT	(29,000 00)	0 00
Ordinary Shareholders	(500 00)	0 00
		2,385 06
Net Receipts/(Payments)		475 00

MADE UP AS FOLLOWS

Bank Current a/c	0 01
VAT Receivable / (Payable)	474 99
	475 00

Time Entry - SIP9 Time & Cost Summary

ABS0002 - Absdec Ltd
Project Code POST
From 03/09/2015 To 02/09/2016

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Cashier	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	1 10	5 30	0 00	8 30	0 00	14 70	2 705 00	184 01
Case Specific Matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Cashier	0 50	0 00	0 00	1 35	1 00	2 85	496 00	174 04
Creditors	0 00	0 00	0 00	1 00	0 00	1 00	160 00	160 00
Investigations	0 00	0 00	0 00	3 30	0 00	3 30	594 00	180 00
Realisation of Assets	0 00	0 30	0 00	0 10	0 00	0 40	84 00	210 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours	**1 60**	**5 60**	**0 00**	**14 05**	**1 00**	**22 25**	**4 039 00**	**181 53**
Total Fees Claimed							**0 00**	
Total Disbursements Claimed							**0 00**	

Absdec Ltd
In Liquidation Liquidator's disbursements and expenses to 02 September 2106

Appendix C

Post appointment disbursements incurred and paid

	Incurred £	Unpaid £	Written off £	Paid £
Category 1				
Insolvency bond	10 00	0 00	0 00	10 00
Postage	6 60	6 60	0 00	0 00
Advertising	222 75	0 00	0 00	222 75
	239 35	6 60	0 00	232 75
Category 2				
Photocopying	10 80	10 80	0 00	0 00
Mileage	98 80	98 80	0 00	0 00
	109 60	109 60	0 00	0 00

Expenses incurred and paid

Expense	Paid to	Basis of payment
Pre liquidation fees	Walsh Taylor	Approved by creditors on 03 September 2015
Pre liquidation disbs	Walsh Taylor	Approved by creditors on 03 September 2015
Statutory advertising	Courts Advertising	Statutory payment - set tariff
Bonding	Marsh Limited	Premium

	Incurred £	Unpaid £	Written off £	Paid £
Pre liquidation fees	2 400 00	840 00	0 00	1 560 00
	2 400 00	840 00	0 00	1 560 00

Pre appointment disbursements incurred and paid

	Incurred £	Unpaid £	Written off £	Paid £
Category 1				
Postage	8 97	8 97	0 00	0 00
	8 97	8 97	0 00	0 00
Category 2				
Case Set Up Fee	25 00	0 00	0 00	25 00
Mileage	20 87	20 87	0 00	0 00
Room Hire	150 00	0 00	0 00	150 00
Photocopying	13 05	13 05	0 00	0 00
	208 92	33 92	0 00	175 00

A CREDITORS' GUIDE TO LIQUIDATORS FEES

ENGLAND AND WALES

1 Introduction

1.1 When a company goes into liquidation the costs of the proceedings are paid out of its assets The creditors who hope to recover some of their debts out of the assets therefore have a direct interest in the level of costs and in particular the remuneration of the insolvency practitioner appointed to act as liquidator The insolvency legislation recognises this interest by providing mechanisms for creditors to fix the basis of the liquidator s fees This guide is intended to help creditors be aware of their rights to approve and monitor fees explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the liquidator and challenge those they consider to be excessive

2 Liquidation procedure

2.1 Liquidation (or winding up) is the most common type of corporate insolvency procedure Liquidation is the formal winding up of a company s affairs entailing the realisation of its assets and the distribution of the proceeds in a prescribed order of priority Liquidation may be either voluntary when it is instituted by resolution of the shareholders or compulsory when it is instituted by order of the court

2.2 Voluntary liquidation is the more common of the two An insolvent voluntary liquidation is called a creditors voluntary liquidation (often abbreviated to CVL) In this type of liquidation an insolvency practitioner acts as liquidator throughout and the creditors can vote on the appointment of the liquidator at the first meeting of creditors

2.3 In a compulsory liquidation on the other hand, the function of liquidator is in most cases initially performed not by an insolvency practitioner but by an official called the official receiver The official receiver is an officer of the court and an official belonging to The Insolvency Service In most compulsory liquidations the official receiver becomes liquidator immediately on the making of the winding up order Where there are significant assets an insolvency practitioner will usually be appointed to act as liquidator in place of the official receiver, either at a meeting of creditors convened for the purpose or directly by The Insolvency Service on behalf of the Secretary of State Where an insolvency practitioner is not appointed the official receiver remains liquidator

2.4 Where a compulsory liquidation follows immediately on an administration the court may appoint the former administrator to act as liquidator In such cases the official receiver does not become liquidator An administrator may also subsequently act as liquidator in a CVL

3 The liquidation committee

3.1 In a liquidation (whether voluntary or compulsory) the creditors have the right to appoint a committee called the liquidation committee with a minimum of 3 and a maximum of 5 members to monitor the conduct of the liquidation and approve the liquidator s fees The committee is usually established at the creditors meeting which appoints the liquidator but in cases where a liquidation follows immediately on an administration any committee established for the purposes of the administration will continue in being as the liquidation committee

3.2 The liquidator must call the first meeting of the committee within 6 weeks of its establishment (or his appointment if that is later) and subsequent meetings must be held either at specified dates agreed by the committee or when requested by a member of the committee or when the liquidator decides he needs to hold one The liquidator is required to report to the committee at least every 6 months on the progress of the liquidation unless the committee directs otherwise This provides an opportunity for the committee to monitor and discuss the progress of the insolvency and the level of the liquidator s fees

4 Fixing the liquidator's remuneration

4.1 Basis

The basis for fixing the liquidator's remuneration is set out in Rules 4 127 – 4 127B of the Insolvency Rules 1986 The Rules state that the remuneration shall be fixed

- as a percentage of the value of the assets which are realised or distributed or both
- by reference to the time properly given by the liquidator and his staff in attending to matters arising in the liquidation or
- as a set amount

Any combination of these bases may be used to fix the remuneration and different bases may be used for different things done by the liquidator Where the remuneration is fixed as a percentage different percentages may be used for different things done by the liquidator

4.2 Advance information where remuneration not based on time costs

Prior to the determination of the basis of remuneration the liquidator must give the creditors details of the work the liquidator proposes to undertake and the expenses he considers will be or are likely to be, incurred However where the liquidator proposes to take any part or all of his remuneration on a time cost basis he must provide more detailed information in the form of a fees estimate as explained below

4.3 Fees estimates where remuneration to be based on time costs

Where the liquidator proposes to take remuneration based on time costs he must first provide the creditors with detailed information in the form of a fees estimate A fees estimate is a written estimate that specifies –

- details of the work the liquidator and his staff propose to undertake
- the hourly rate or rates the liquidator and his staff propose to charge for each part of that work
- the time the liquidator anticipates each part of that work will take
- whether the liquidator anticipates it will be necessary to seek approval or further approval under the Rules and
- the reasons it will be necessary to seek such approval

In addition the liquidator must give the creditors details of the expenses he considers will be or are likely to be incurred

4.4 Who fixes the remuneration

It is for the liquidation committee (if there is one) to determine on which of these bases or combination of bases the remuneration is to be fixed Where it is fixed as a percentage it is for the committee to determine the percentage or percentages to be applied Rule 4 127 says that in arriving at its decision the committee shall have regard to the following matters

- the complexity (or otherwise) of the case
- any responsibility of an exceptional kind or degree which falls on the liquidator in connection with the insolvency
- the effectiveness with which the liquidator appears to be carrying out or to have carried out his duties

- the value and nature of the assets which the liquidator has to deal with

4 5 If there is no liquidation committee or the committee does not make the requisite determination the liquidator s remuneration may be fixed by a resolution of the creditors The creditors take account of the same matters as apply in the case of the committee A resolution specifying the terms on which the liquidator is to be remunerated may be taken at the meeting which appoints the liquidator

4 6 If the remuneration is not fixed as above it will be fixed in one of the following ways In a CVL it will be fixed by the court on application by the liquidator but the liquidator may not make such an application unless he has first tried to get his remuneration fixed by the committee or creditors as described above and in any case not later than 18 months after his appointment In a compulsory liquidation it will be in accordance with a scale set out in the Rules

4 7 Where the liquidation follows directly on from an administration in which the liquidator had acted as administrator the basis of remuneration fixed in the administration continues to apply in the liquidation (subject to paragraph 8 below)

5 **Review of remuneration**

Where there has been a material and substantial change in circumstances since the basis of the liquidator s remuneration was fixed the liquidator may request that it be changed The request must be made to the same body as initially approved the remuneration and the same rules apply as to the original approval

6 **What information should be provided by the liquidator?**

6 1 **General principles**

6 1 1 The liquidator should provide those responsible for approving his remuneration with sufficient information to enable them to make an informed judgement about the reasonableness of the liquidator s request The information should be presented in a manner which is transparent consistent throughout the life of the case and useful to creditors while being proportionate to the circumstances of the case

6 1 2 The liquidator should disclose

- payments remuneration and expenses arising from the administration paid to the liquidator or his or her associates
- any business or personal relationships with parties responsible for approving the liquidator s remuneration or who provide services to the liquidator in respect of the insolvency appointment where the relationship could give rise to a conflict of interest

The liquidator should inform creditors of their rights under insolvency legislation and should advise them how they may access suitable information setting out their rights within the first communication with them and in each subsequent report

6 1 3 Where the liquidator sub-contracts out work that could otherwise be carried out by the liquidator or his or her staff this should be drawn to the attention of creditors with an explanation of why it is being done

6 2 **Key issues**

6 2 1 The key issues of concern to those with a financial interest in the level of payments from the insolvency estate will commonly be

- the work the liquidator anticipates will be done and why that work is necessary
- the anticipated cost of that work including any expenses expected to be incurred in connection with it
- whether it is anticipated that the work will provide a financial benefit to creditors and if so what benefit (or if the work provided no direct financial benefit but was required by statute)
- the work actually done and why that work was necessary
- the actual costs of the work, including any expenses incurred in connection with it, as against any estimate provided,
- whether the work has provided a financial benefit to creditors and if so what benefit (or if the work provided no direct financial benefit but was required by statute)

When providing information about payments fees and expenses the liquidator should do so in a way which facilitates clarity of understanding of these key issues Narrative explanations should be provided to support any numerical information supplied Where it is practical to do so, the liquidator should provide an indication of the likely return to creditors when seeking approval for the basis of his remuneration

6 2 2 When approval for a fixed amount or a percentage basis is sought the liquidator should explain why the basis requested is expected to produce a fair and reasonable reflection of the work that the liquidator anticipates will be undertaken

6 3 **Fee estimates and subsequent reports**

6 3 1 When providing a fee estimate the liquidator should supply that information in sufficient time to facilitate that body making an informed judgement about the reasonableness of the liquidator s requests The estimate should clearly describe what activities are anticipated to be conducted in respect of the estimated fee When subsequently reporting to creditors the actual hours and average rate (or rates) of the costs charged for each activity should be provided for comparison

6 4 **Disbursements**

6 4 1 Costs met by and reimbursed to the liquidator in connection with the liquidation will fall into two categories

- Category 1 disbursements These are payments to independent third parties where there is specific expenditure directly referable to the liquidation Category 1 disbursements can be drawn without prior approval although the liquidator should be prepared to disclose information about them in the same way as any other expenses Category 2 disbursements These are costs that are directly referable to the liquidation but not to a payment to an independent third party They may include shared or allocated costs that may be incurred by the liquidator or their firm and that can be allocated to the liquidation on a proper and reasonable basis

When seeking approval the liquidator should explain for each category of cost the basis on which the charge is being made If the liquidator has obtained approval for the basis of Category 2 disbursements that basis may continue to be used in a sequential appointment where further approval of the basis of remuneration is not required or where the liquidator is replaced

6 4 2 The following are not permissible as disbursements

- a charge calculated as a percentage of remuneration
- an administration fee or charge additional to the liquidator s remuneration
- recovery of basic overhead costs such as office and equipment rental depreciation and finance charges

6.5 **Realisations for secured creditors**

Where the liquidator realises an asset on behalf of a secured creditor and receives remuneration out of the proceeds (see paragraph 11.1 below), he should disclose the amount of that remuneration to the committee (if there is one), to any meeting of creditors convened for the purpose of determining his fees, and in any reports he sends to creditors.

7 **Exceeding the amount set out in the fees estimate**

Remuneration must not exceed the fees estimate without approval by the body which fixed the original basis of the remuneration. The request for approval must specify –

- the reason why the liquidator has exceeded, or is likely to exceed, the fees estimate
- the additional work the liquidator has undertaken or proposes to undertake
- the hourly rate or rates the liquidator proposes to charge for each part of that additional work
- the time that additional work has taken or the liquidator anticipates that work will take
- whether the liquidator anticipates that it will be necessary to seek further approval; and
- the reasons it will be necessary to seek further approval

8 **Progress reports and requests for further information**

8.1 The liquidator is required to send annual progress reports to creditors. The reports must include:

- details of the basis fixed for the remuneration of the liquidator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it)
- if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report)
- if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done during those periods, irrespective of whether payment was actually made during the period of the report
- a statement of the expenses incurred by the liquidator during the period of the report, irrespective of whether payment was actually made during that period
- where appropriate, a statement –

  that the remuneration anticipated to be charged is likely to exceed the fees estimate or any approval given for remuneration exceeding the estimate
  that expenses incurred or anticipated to be incurred are likely to exceed, or have exceeded, the details given to the creditors prior to the determination of the basis of remuneration; and
  the reason for that excess

- a statement of the creditors' rights to request further information, as explained in paragraph 8.2, and their right to challenge the liquidator's remuneration and expenses

8.2 Within 21 days of receipt of a progress report (or 7 business days where the report has been prepared for the purposes of a meeting to receive the liquidator's resignation) a creditor may request the liquidator to provide further information about the remuneration and expenses set out in the report. A request must be in writing and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court.

8.3 The liquidator must provide the requested information within 14 days, unless he considers that:

- the time and cost involved in preparing the information would be excessive, or
- disclosure would be prejudicial to the conduct of the liquidation or might be expected to lead to violence against any person, or
- the liquidator is subject to an obligation of confidentiality in relation to the information requested

in which case he must give the reasons for not providing the information.

Any creditor may apply to the court within 21 days of the liquidator's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information.

9 **Provision of information – additional requirements**

The liquidator must provide certain information about the time spent on the case, free of charge, upon request by any creditor, director or shareholder of the company.

The information which must be provided is –

- the total number of hours spent on the case by the liquidator or staff assigned to the case
- for each grade of staff, the average hourly rate at which they are charged out
- the number of hours spent by each grade of staff in the relevant period

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the liquidator's appointment, or where he has vacated office, the date that he vacated office.

The information must be provided within 28 days of receipt of the request by the liquidator, and requests must be made within two years from vacation of office.

10 **What if a creditor is dissatisfied?**

10.1 Except in cases where there is a liquidation committee, it is the creditors as a body who have authority to approve the liquidator's fees. To enable them to carry out this function they may require the liquidator to call a creditors' meeting. In order to do this at least ten per cent in value of the creditors must concur with the request, which must be made to the liquidator in writing.

10.2 If a creditor believes that the liquidator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the liquidator are in all the circumstances excessive, he may, provided certain conditions are met, apply to the court.

10.3 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the liquidator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 8.1 above). If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the liquidator a copy of the application and supporting evidence at least 14 days before the hearing.

10 4 If the court considers the application well founded it may order that the remuneration be reduced the basis be changed or the expenses be disallowed or repaid Unless the court orders otherwise the costs of the application must by paid by the applicant and not out of the assets of the insolvent company

11 What if the liquidator is dissatisfied?

If the liquidator considers that the remuneration fixed by the liquidation committee or in the preceding administration is insufficient or that the basis used to fix it is inappropria e he may request that the amount or ra'e be increased or the basis changed by resolution of the credi'ors If he considers that the remuneration fixed by the liquidation committee the creditors in the preceding administration or in accordance with the statutory scale is insufficient or that the basis used to fix it is inappropria e he may apply to the court for the amount or rate to be increased or the basis changed If he decides to apply to the court he must give at least 14 days notice to the members of the committee and the committee may nominate one or more of its members to appear or be represented at the court hearing If there is no committee the liquidator s notice of his application must be sent to such of the creditors as the court may direct and they may nominate one or more of their number to appear or be represented The court may order the costs to be paid out of the assets

12 Other matters relating to remuneration

12 1 Where the liquidator realises assets on behalf of a secured creditor he is entitled to be remunerated out of the proceeds of sale in accordance with a scale set out in the Rules Usually however the liquidator will agree the basis of his fee for dealing with charged assets with the secured creditor concerned

12 2 Where two (or more) joint liquidators are appointed it is for them to agree between themselves how the remuneration payable should be apportioned Any dispute between them may be referred to the court the committee or a meeting of creditors

12 3 If the appointed liquidator is a solicitor and employs his own firm to act in the insolvency profit costs may not be paid unless authorised by the committee the creditors or the court

12 4 If a new liquidator is appointed in place of another, any determination resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new liquidator until a further determination resolution or court order is made

12 5 Where the basis of the remuneration is a set amount and the liquidator ceases to act before the time has elapsed or the work has been comple ed for which the amount was set application may be made for a determination of the amount that should be paid to the outgoing liquidator The application must be made to the same body as approved he remuneration Where the outgoing liquida or and he incoming liquidator are from the same firm they will usually agree the apportionment between them

12 6 There may also be occasions when creditors will agree to make funds available themselves to pay for the liquidator to carry out tasks which cannot be paid for out of the assets ei her because they are deficient or because it is uncertain whether the work undertaken will result in any benefit to creditors Arrangements of this kind are sometimes made to fund litigation or investigations into the affairs of the insolvent company Any arrangements of his nature wil be a matter for agreement between the liquidator and the creditors concerned and will not be subject to the statutory rules relating to remuneration

13 Effective date

This guide applies where a company goes into liquidation on or after 1 October 2015

Appendix

Suggested format for the provision of information

Professional guidance issued to insolvency practitioners sets out the following suggested format for the provision of information when seeking approval of remuneration However the level of disclosure suggested below may not be appropria e in all cases and will be subject to considerations of proportionality In larger or more complex cases the circumstances of each case may dictate the information provided and its format

Narrative overview of the case

In all cases reports on remuneration should provide a narrative overview of the case Matters relevant to an overview are

- the complexity of the case
- any exceptional responsibility falling on the liquidator
- the liquidator's effectiveness
- the value and nature of the property in question

The information provided will depend upon the basis or bases being sought or reported upon and the stage a which it is being provided An overview might include

- an explanation of the nature and the liquidator s own initial assessment of ne assignment (including the anticipated return to creditors) and the outcome (f known)
- initial views on how the assignment was to be handled including decisions on staffing or subcontracting and the appointment of advisers
- any significant aspects of the case particularly those that affect the remuneration and cost expended
- the reasons for subsequent changes in strategy
- the steps taken to establish the views of creditors particularly in relation to agreeing the strategy for the assignment budgeting and fee drawing
- any existing agreement about remuneration
- details of how o her professionals including subcontractors were chosen how they were contracted to be paid and what steps have been taken to review their fees
- in a larger case particularly if it involved trading considerations about staffing and managing the assignment and how strategy was set and reviewed
- details of work undertaken during the period
- any additional value brought to the estate during the period for which the liquidator wishes to claim increased remuneration

Time cost basis

Where any part of the remuneration is or is proposed to be calculated on a time costs basis requests for and reports on remuneration should provide

- An explanation of the liquidator's time charging policy clearly stating the units of time that have bee used the grades of staff and rates that have been charged to he assignment and the policy for recovering the cost of support staff There is an expectation that time will be recorded in units of not greater than 6 minutes
- A description of work carried out which might include
  - details of work undertaken during the period related to the table of ime spent for the period
  - an explanation of the grades of staff used to undertake the different tasks carried out and the reasons why it was appropriate for those grades to be used
  - any comments on any figures in the summary of time spent accompanying the request he liquidator wishes to make
- Time spen and charge out summaries in an appropriate format

It is useful to provide time spent and charge-out value information in a tabular form for each of the time periods reported upon with work classified (and sub-divided) in a way relevant to the circumstances of the case

The following areas of activity are suggested as a basis for the analysis of time spent

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any othe case specific matters

The following categories are suggested as a basis for analysis by grade of staff

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The level of disclosure suggested above will not be appropria e in all cases and considerations of proportionality will apply

- where cumulative time costs are and are expected to be less than £10 000 the liquidator should as a minimum state the number of hours and average rate per hour and explain any unusual featu es of the case
- where cumulative time costs are or are expected to be between £10 000 and £50 000 a time and charge-out summary similar to that shown above will usually provide the appropriate level of detail (subject to the explanation of any unusual features)
- where cumulative time costs exceed or are expected to exceed £50 000 further and more detailed analysis or explanation will be warranted

Walsh Taylor Insolvency Practitioners

Charge Out Rates

	Rate per hour £
Director/Insolvency Practitioner	300
Senior Manager	250
Manager	240
Senior Administrator	80
Administrator	150
Cashier	150
Support staff (inc secretarial)	125

Time is charged in units of 6 minutes
Support and secretarial staff time is charged to cases on the basis of time spent at the rates stated above

Disbursements Recovery Policy

Category 1	Direct costs are recovered at actual cost to the case
	Includes for example and where relevant insurance and bonding advertising courier registration fees search fees postage (including re direction) storage subsistence and public transport
	No charge is made for telephone calls
Category 2	Apportioned costs are recovered on the following tariff
Fax	£1 per page sent
Photocopying	15p per copy – irrespective of size
Room hire	£150 for room hire for creditors meetings charge is only be made when attendance of directors or director and or creditors is likely and a meeting room has been set aside
Stationery	£25 initial case set up fee per corporate case £15 per personal case
	Annual case file maintenance charges of £ 0
Car travel	65p per mile
	Fax photocopying and stationery charges are based on the average costs of consumables
	Room hire is based on an average of charges levied by four local providers