

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

01157957

Name of Company

Bennet Panton Furnishing Limited

At We

Kenneth Webster Marland, Totemic House, Springfield Business Park, Caunt Road, Grantham, NG31 7FZ

John Neil Harrison, Totemic House, Springfield Business Park, Caunt Road, Grantham, NG31 7FZ

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 12/12/2015 to 11/12/2016

Signed

Date

10/2/17

Harrisons
Totemic House
Springfield Business Park
Caunt Road
Grantham
NG31 7FZ

Ref BENNETP/KWM/JNH/AS

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13/02/2017

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COMPANIES HOUSE

Harrisons

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Partners

J N Hamson FCA MIPA FABRP

K W Marland MIPA FABRP

A P Smith MAAT MIPA MABRP

Bennet Panton Furnishing Limited – in Liquidation **Joint Liquidators Progress Report** **For the Period: 12th December 2015 to 11th December 2016**

Registered Office

c/o Harrisons
Totemic House
Springfield Business Park
Caunt Road
Grantham
NG31 7FZ

Registered Number

01157957

Date of Liquidation

12 December 2014

Appointment Details

Kenneth Webster Marland
Joint Liquidator
Harrisons
Totemic House
Springfield Business Park
Caunt Road
Grantham
NG31 7FZ

John Neil Harrison
Joint Liquidator
Harrisons
Totemic House
Springfield Business Park
Caunt Road
Grantham
NG31 7FZ

Appointed. 12 December 2014

Appointed 12 December 2014

Changes to Office Holders

No changes since commencement of liquidation

J N Hamson is authorised to act as a Licensed Insolvency Practitioner by the Insolvency Practitioners Association in the United Kingdom
K W Marland is authorised to act as a Licensed Insolvency Practitioner by the Insolvency Practitioners Association in the United Kingdom
A P Smith is authorised to act as a Licensed Insolvency Practitioner by the Insolvency Practitioners Association in the United Kingdom

Grantham | Mexborough | Bakewell | Stockton

Summary of Directors History

Bennet Panton Furnishing was formed by Mr R S Bennet and Malcolm Panton

The partnership opened for trading on the 1st February 1971 in rented premises at 9 Northgate, Sleaford

The intention was to mainly retail carpets, curtains and window blinds. We also carried out some re-upholstery, sold loose covers as well as hard flooring using sub-contract labour for making curtains and fitting flooring etc

Business was brisk and the early indications showed promise of a successful enterprise. However, Mr Bennet found it difficult working in his own business and withdrew his interest in the same citing nerve problems

Malcolm Panton carried on the business as a sole trader, employing a full time fitter in July 1971

In August 1971 Geoffrey Panton joined the business

On the 23rd January 1974 the partnership was transferred to a limited company; a decision taken on the advice of the company's external accountants and due to a growth in sales. Malcolm and Geoffrey Panton became Directors and equal shareholders.

The company moved to its current trading premises, 17 Northgate, Sleaford, and continued to flourish, employing several staff and sub-contract workers. Turnover exceeded £530,000 in the trading year 2007/2008

The following year Tuner Butler Limited, a business sales agent, were instructed to market the company for sale, with the same being marketed at £150,000. The Directors' aim was to sell the business so that they could retire.

Unfortunately no sale was achieved. The recession impacted massively and turnover saw a significant decline over the subsequent five years. During that time two further agents marketed the company's business and assets, but no sale was achieved

During the year 2014, with both Directors in their seventies and anxious to retire they took the decision to close the business. Trading ceased on Friday 28th November 2014.

Unfortunately the cost of making our long serving staff redundant, some of which worked for the business prior to its incorporation in 1974, is a cost the company cannot afford to meet. As a result the director sought professional advice, which resulted in the decision to place the company into liquidation

Progress of the Liquidation

The purpose of this Progress Report is to provide members and creditors with an update on the progress made in the liquidation in the period under review, that is 12th December 2015 to 11th December 2016

Our first Progress Report for the year ending 11th December 2015 is still available on our website and can be accessed using the same security details used to access this report

Assets Realisations that Remain Outstanding

We are not aware of any assets that remain to be realised. Accordingly the Joint Liquidators intend to take steps to close the liquidation in the near future

Investigations

All investigatory work has been completed with the outcomes detailed in previous reports.

We confirm that nothing further has been brought to our attention in the period of this report

Creditor Claims & Outcome for Creditors

NatWest Bank has the benefit of a mortgage debenture conferring a specific equitable charge over all Freehold and Leasehold property and the proceeds of sale thereof, together with a fixed and floating charge over the undertaking and all property and assets present and future including goodwill and book debts

It is not considered that NatWest have a claim in the liquidation given the cash at bank figure

The Prescribed Part pursuant to Section 176A of the Insolvency Act 1986 does not apply to this liquidation as the banks floating charge pre dates 15th September 2003

Preferential creditor claims amount to £381.09.

Unsecured creditor claims per the company's Statement of Affairs were estimated to be £65,306

Claims actually received amount to £47,726

The Joint Liquidators are of the opinion that a dividend will be available to preferential creditors at a rate of 100p in the £ and accordingly, we intended to pay a first and final dividend in due course

It is not anticipated that a dividend will be available for unsecured creditors

Once a dividend has been paid to Preferential Creditors, we anticipate that we will be in a position to close the liquidation

Basis of Remuneration

This firm's fee for assisting the director(s) in convening meetings of members and creditors to place the company into liquidation and assisting in the preparation of the Statement of Affairs of £4,000 plus VAT was agreed to be paid out of the assets of the company by creditors at a meeting of creditors held on 12th December 2014

The fee has been drawn in the period covered by this report.

At the same meeting of creditors it was also resolved that the Joint Liquidators remuneration be based on time expended on the case by them and their staff, with remuneration to be drawn without further recourse to creditors

Time costs incurred in the period under review, are £1,780. This relates to 3 60 chargeable hours at an average charge out rate across all grades of staff of £494 44 per hour

Total time costs incurred since liquidation to 11th December 2016 are £7,880. This relates to 21 38 chargeable hours at an average charge out rate across all grades of staff of £368 57 per hour.

Fees drawn to date amount to £4,000

An analysis of time expended on the case in the period 12th December 2014 to 11th December 2016, in accordance with the principles set out in Statement of Insolvency Practice 9, is appended to this Progress Report, together with a copy of 'A Creditors Guide to Liquidators Fees'. (Appendix 2).

Please also see 'A Creditors Guide to Liquidators Fees' for details of our current charge out rates

Statement of Expenses Incurred

The following table details expenses that have been incurred by the Joint Liquidators in the period covered by this report. The table also details the value of expenses that have been discharged by monies received from realisations and the balance that remains outstanding

Description of Expense	Cost Incurred (£)	Cost Discharged (£)	Balance O/S (£)
Balance b/f	3,014 03	2,740 31	273 72
TOTAL	3,014.03	2,740.31	273.72

All expenses are stated net of VAT. Due to the company being VAT registered, the same can be reclaimed from H M Revenue & Customs

Joint Liquidators Receipts & Payments Account

The Joint Liquidators Receipts and Payments Account for the period 12th December 2015 to 11th December 2016 is appended to this Progress Report together with a cumulative account for the full period of the liquidation to 11th December 2015. (Appendix 1)

The account is self-explanatory

Creditors' Rights to Request Further Information and to Challenge the Joint Liquidators Remuneration Pursuant to Rules 4.49E and 4.131 of the Insolvency Rules 1986 as Amended

Request for Further Information

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 Joint Liquidators 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.

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 A

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

Challenge the Joint Liquidators Remuneration

Within 8 weeks of the receipt of the Progress Report in which the charging of the remuneration or incurring of the expenses in question is first reported (or 4 weeks where the report has been prepared for the purposes of a meeting to receive the liquidator's resignation) a creditor who believes the Joint Liquidators remuneration is too high, the basis is inappropriate, or the expenses incurred by the Joint Liquidators are in all the circumstances excessive he may, provided certain conditions are met, apply to the court

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.

If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the Joint Liquidators a copy of the application and supporting evidence at least 14 days before the hearing

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 be paid by the applicant and not out of the assets of the insolvent company.

Dated: 10th February 2017

Appendix 1

Bennet Panton Furnishing Limited – in Liquidation

Joint Liquidators Receipts and Payments Account

Bennet Panton Furnishing Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 12/12/2015 To 11/12/2016 £	From 12/12/2014 To 11/12/2016 £
	SECURED CREDITORS		
NIL	NatWest Bank Plc	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	ASSET REALISATIONS		
NIL	Leasehold Property Improvements	NIL	NIL
500 00	Plant, Machinery, F&F & Stock	NIL	3,813 50
2,500 00	Motor Vehicles	NIL	3,200 00
150 00	Computer Equipment	NIL	88 00
1,974 00	Book Debts	NIL	3,948 63
7,850 00	Cash at Bank	NIL	8,279 11
	Bank Interest Gross	<u>43 12</u>	<u>63 59</u>
		43 12	19,392 83
	COST OF REALISATIONS		
	Preparation of S of A	NIL	4,000 00
	Liquidator Fees	NIL	4,000 00
	Agents/Valuers Fees (1)	NIL	2,376 00
	Corporation Tax	4 30	8 40
	Pre Liquidation Trading Expenses	<u>NIL</u>	<u>364 31</u>
		(4 30)	(10,748 71)
	UNSECURED CREDITORS		
(23,850 91)	Trade & Expense Creditors	NIL	NIL
(35,351 40)	Employees	NIL	NIL
(517 62)	H M Revenue & Customs (PAYE)	NIL	NIL
(5,586 91)	H M Revenue & Customs (VAT)	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	DISTRIBUTIONS		
(4,500 00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<u>(56,832.84)</u>		<u>38 82</u>	<u>8,644.12</u>
	REPRESENTED BY		
	Bank 1 Current		8,644 12
			<u>8,644.12</u>

Appendix 2

Bennet Panton Furnishing Limited – in Liquidation

Joint Liquidators Time Analysis

A Creditors Guide to Liquidators Fees

Time Analysis

BENNETP - Bennet Panton Furnishing Limited
All Post Appointment Project Codes
To 11/12/2016

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	0.48	3.65	0.00	0.80	4.93	1,890.00	383.37
Closing Case	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.30	10.15	0.00	0.00	10.45	3,380.00	323.44
Dividends & Distributions	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.60	2.70	0.00	0.00	3.30	1,710.00	518.18
Realisation of Assets	0.00	2.70	0.00	0.00	2.70	900.00	333.33
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	1.38	19.20	0.00	0.80	21.38	7,880.00	368.87
Total Fees Claimed						4,000.00	
Total Disbursements Claimed						0.00	

Summary of chargeout rates for staff members involved with this case

Grade Category	Minimum Rate	Maximum Rate
Partner	400	600
Manager	200	500
Assistants & Support Staff	100	250

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 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. 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.

4.2 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 a meeting of 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.

4.3 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.

4.4 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 When seeking remuneration approval

6.1.1 When seeking agreement to his fees the liquidator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on:

- The nature of the approval being sought,
- The stage during the administration of the case at which it is being sought, and
- The size and complexity of the case.

6.1.2 Where, at any creditors' or committee meeting, the liquidator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

6.1.3 Where the liquidator seeks agreement to his fees during the course of the liquidation, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the liquidator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the liquidator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the liquidator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the liquidator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent:

- Administration and planning
 - Investigations
 - Realisation of assets
 - Trading
 - Creditors
 - Any other 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 explanation of what has been done can be expected to include an outline of the nature of the assignment and the liquidator's own initial assessment, including the anticipated return to creditors.

To the extent applicable it should also explain:

- Any significant aspects of the case, particularly those that affect the amount of time spent
- The reasons for subsequent changes in strategy

- Any comments on any figures in the summary of time spent accompanying the request the liquidator wishes to make
 - The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement
 - Any existing agreement about fees
 - Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees
- It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases

6.1.4 Where the fee is charged on a percentage basis the liquidator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by a liquidator or his staff

6.2 After remuneration approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the liquidator should notify the creditors of the details of the resolution in his next report or circular to them. When subsequently reporting to creditors on the progress of the liquidation, or submitting his final report, he should specify the amount of remuneration he has drawn in accordance with the resolution (see further paragraph 7.1 below)

Where the fee is based on time costs he should also provide details of the time spent and chargeout value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 6.1.3. Where the fee is charged on a percentage basis the liquidator should provide the details set out in paragraph 6.1.4 above regarding work which has been sub-contracted out

6.3 Disbursements and other expenses

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements, but there is provision for the creditors to challenge them, as described below. Professional guidance issued to insolvency practitioners requires that, where the liquidator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the liquidator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation

6.4 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. Progress reports and requests for further information

7.1 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,
- A statement of the creditors' rights to request further information, as explained in paragraph 7.2, and their right to challenge the liquidator's remuneration and expenses

7.2 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

7.3 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.

8 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.

9 What if a creditor is dissatisfied?

9.1 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.

9.2 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.

9.3 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 7.1 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.

9.4 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 be paid by the applicant and not out of the assets of the insolvent company.

10. 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 inappropriate he may request that the amount or rate be increased, or the basis changed, by resolution of the creditors. 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 inappropriate, 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.

11 Other matters relating to remuneration

11.1 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.

11.2 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.

11.3 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.

11.4 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

11.5 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 completed 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 the remuneration. Where the outgoing liquidator and the incoming liquidator are from the same firm, they will usually agree the apportionment between them

11.6 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, either 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 this nature will be a matter for agreement between the liquidator and the creditors concerned and will not be subject to the statutory rules relating to remuneration

12. Effective date

This guide applies where a company –

- goes into liquidation on a winding-up resolution passed on or after 6 April 2010,
- goes into voluntary liquidation immediately following an administration on or after 6 April 2010, except where the preceding administration began before that date,
- goes into compulsory liquidation as the result of a petition presented on or after 6 April 2010, except where the liquidation was preceded by
 - an administration which began before that date,
 - a voluntary liquidation in which the winding-up resolution was passed before that date

13 Information on our charge out rates

From 1st March 2015, our charge out rates are £600 per hour for time expended on a case by a Partner, £500 per hour for time expended on a case by a Manager and £250 per hour for time expended on a case by an Administrator. Time is charged in 6 minutes units