

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 0 2 7 3 2 4 3

Company name in full High Yield Investment Company Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Steve

Surname Markey

### 3 Liquidator's address

Building name/number Leonard Curtis

Street Leonard Curtis House

Elms Square, Bury New Road

Post town Whitefield

County/Region Greater Manchester

Postcode M 4 5 7 T A

Country

### 4 Liquidator's name ①

Full forename(s) Martin

Surname Maloney

#### ① Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number Leonard Curtis

Street Leonard Curtis House

Elms Square, Bury New Road

Post town Whitefield

County/Region Greater Manchester

Postcode M 4 5 7 T A

Country

#### ② Other liquidator

Use this section to tell us about  
another liquidator.

# LIQ03

## Notice of progress report in voluntary winding up

**6**

### Period of progress report

From date

<sup>d</sup>0<sup>d</sup>1<sup>m</sup>0<sup>m</sup>3<sup>y</sup>2<sup>y</sup>0<sup>y</sup>2<sup>y</sup>2

To date

<sup>d</sup>2<sup>d</sup>8<sup>m</sup>0<sup>m</sup>2<sup>y</sup>2<sup>y</sup>0<sup>y</sup>2<sup>y</sup>3**7**

### Progress report



The progress report is attached

**8**

### Sign and date

Liquidator's signature

Signature

**X****X**

Signature date

<sup>d</sup>1<sup>d</sup>9<sup>m</sup>0<sup>m</sup>4<sup>y</sup>2<sup>y</sup>0<sup>y</sup>2<sup>y</sup>3

**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 **Emma Edgar**

Company name **Leonard Curtis**

Address **Leonard Curtis House**

**Elms Square, Bury New Road**

**Whitefield**

Post town **Greater Manchester**

County/Region

Postcode **M 4 5 7 T A**

Country

DX

Telephone **0161 413 0930**

**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- ☒ The company name and number match the information held on the public Register.
- ☒ You have attached the required documents.
- ☒ You have signed the form.

**Important information**

**All information on this form will appear on the public record.**

**Where to send**

**You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:**

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**



**LEONARD CURTIS**  
BUSINESS RESCUE & RECOVERY

**High Yield Investment Company Limited  
(In Members' Voluntary Liquidation)**

**Company Number: 00273243**

**Former Registered Office:**

**c/o Hallidays Limited, Riverside House, Kings Reach Busine, Yew Street, Stockport, Cheshire SK4 2HD**

**Trading Address: None**

**Joint Liquidators' Second Progress Report  
prepared pursuant to Section 92A(1) of the Insolvency Act 1986 (as amended)  
and Rule 18.3 of the Insolvency (England and Wales) Rules 2016**

**Report Period  
1 March 2022 to 28 February 2023**

**19 April 2023**

**Leonard Curtis  
Leonard Curtis House, Elms Square, Bury New Road, Whitefield  
Greater Manchester M45 7TA  
Tel: 0161 413 0930 Fax: 0161 413 0931  
recovery@leonardcurtis.co.uk  
Ref: K/40/EE/H967D/1010**

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- B Summary of Joint Liquidators' Expenses from 1 March 2021 to 28 February 2023
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**TO ALL MEMBERS AND THE REGISTRAR OF COMPANIES**

**1 INTRODUCTION**

- 1.1 Steve Markey and Martin Maloney were appointed joint liquidators of High Yield Investment Company Limited (“the Company”) by the members on 1 March 2021.
- 1.2 Steve Markey and Martin Maloney are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales under office holder numbers 14912 and 9628, respectively.
- 1.3 There has been no change in office holder since the date of liquidation.
- 1.4 This report provides an update on the conduct of the liquidation for the period from 1 March 2022 to 28 February 2023, as required by Section 92A(1) of the Insolvency Act 1986 (as amended) and Rule 18.3 of the Insolvency (England and Wales) Rules 2016 (“the Rules”). It shows how the liquidation has been conducted and the Company’s property disposed of, the outcome for members and other information that the liquidators are required to disclose and should be read in conjunction with the previous progress report dated 22 April 2022.
- 1.5 All figures are stated net of VAT.

**2 CONDUCT OF THE LIQUIDATION**

- 2.1 The Company’s registered office was changed to Leonard Curtis House, Elms Square, Bury New Road, Whitefield, Greater Manchester M45 7TA on 22 March 2021.

**Assets Realised**

*Investments / Shares*

- 2.2 As referred to in the declaration of solvency, the Company held various investments and shares with a total value of £7,518,476, the value of which was provided in a balance sheet dated 5 February 2021. As mentioned in the previous progress report, some of these investments were realised prior to the liquidation and a revised valuation of £5,065,404 was provided by the directors on 1 March 2021. The assets were subsequently distributed in specie on 2 March 2021. A further £701,416 has been received in the reporting period.

**Assets Still to be Realised**

- 2.3 The following assets are still to be realised:

| Description          | £              |
|----------------------|----------------|
| Investments / Shares | 612,944        |
|                      | <b>612,944</b> |

*Investments / Shares*

- 2.4 Following the period end, £155,444 and £457,500 is anticipated in relation to investments held with Brewin Dolphin, and from the shareholders’ distribution from the liquidation of Stavert Zigomala Limited, respectively.

### 3 RECEIPTS AND PAYMENTS ACCOUNT

- 3.1 A summary of the joint liquidators' receipts and payments for the entire period of the liquidation, including the period from 1 March 2022 to 28 February 2023, is attached at Appendix A.

### 4 PAYMENTS TO CREDITORS

- 4.1 As detailed in the declaration of solvency, liabilities were estimated to total £1,269,191.
- 4.2 A notice for creditors to submit claims was advertised 12 March 2021.
- 4.3 No creditor claims have been received. The joint liquidators received confirmation that the remaining liabilities had been paid prior to the liquidation.

### 5 DISTRIBUTIONS TO MEMBERS

- 5.1 The Company's share capital consists of:
- 40,000 redeemable preference shares
  - 10,500 ordinary A shares
  - 27,000 ordinary B shares
- 5.2 Distributions to the members have been declared as follows:

| Date         | Dividend                          | Type               | £                   | £ / Share     |
|--------------|-----------------------------------|--------------------|---------------------|---------------|
| 2 March 2021 | First and Final (Preference)      | Cash and In Specie | 40,000.00           | 1.00          |
| 2 March 2021 | First Interim (Ordinary A)        | Cash and In Specie | 10,500.00           | 1.00          |
| 2 March 2021 | First Interim (Ordinary B)        | Cash and In Specie | 27,000.00           | 1.00          |
| 2 March 2021 | Second Interim (Ordinary A and B) | Cash and In Specie | 6,525,000.00        | 174.00        |
|              |                                   |                    | <b>6,602,500.00</b> | <b>177.00</b> |

### 6 JOINT LIQUIDATORS' REMUNERATION, EXPENSES AND DISBURSEMENTS, AND MEMBERS' RIGHTS

#### Remuneration

- 6.1 On 1 March 2021, the members resolved that the joint liquidators' remuneration be payable as a set amount of £10,000.
- 6.2 Fees of £10,000 have been paid.

### Expenses and Disbursements

- 6.3 A summary of the joint liquidators’ expenses from 1 March 2021 to 28 February 2023 is attached at Appendix B. To assist members’ understanding of this information, it has been separated into the following two categories:

*Standard Expenses:* this category includes expenses payable by virtue of the nature of the liquidation process and / or payable in order to comply with legal or regulatory requirements.

- *Case Specific Expenses:* this category includes expenses likely to be payable by the joint liquidators in carrying out their duties in dealing with issues arising in this particular liquidation. Included within this category are costs that are directly referable to the liquidation but are not paid to an independent third party (and which may include an element of allocated costs). These are known as ‘category 2 disbursements’ and they may not be drawn without creditor approval.

- 6.4 Authority to take category 2 disbursements was approved by members on 1 March 2021.
- 6.5 Attached at Appendix C is additional information in relation to the firm’s policy on staffing, the use of subcontractors, disbursements and details of current charge-out rates by staff grade. Please be aware that the firm’s charge out rates have been amended with effect from 1 March 2021.
- 6.6 Since the last report, the following professional advisors (“PA”) and / or subcontractors (“S”) have been instructed:

| Name of Professional Advisor | PA / S | Service Provided | Basis of Fees      |
|------------------------------|--------|------------------|--------------------|
| Hallidays Group Limited      | PA     | Tax Assistance   | Fixed Fee - £5,000 |

*Hallidays Group Limited (“Hallidays”)*

- 6.7 The joint liquidators instructed the Company’s accountant, Hallidays, to assist with the preparation of the Company’s tax returns and computations given their familiarity with the Company’s finances and the nature of the work required. Their fee for the work undertaken is deemed fair and reasonable.

### Members’ Rights

- 6.8 Under Rule 18.9 of the Rules, within 21 days of receipt of this report, members with either at least five per cent of the total voting rights of all the members having the right to vote at general meetings of the Company, or with the permission of the court, may request in writing that the joint liquidators provide further information about their remuneration or expenses which have been itemised in this report.
- 6.9 Under Rule 18.34 of the Rules, members with at least 10 per cent of the total voting rights of all the members having the right to vote at general meetings of the Company, or with the permission of the court, may within eight weeks of receipt of the progress report that first reports the fee basis, the charging of the remuneration or the incurring of the expenses in question, make an application to court on the grounds that, in all the circumstances, the basis fixed for the joint liquidators’ remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the joint liquidators, as set out in the progress report, are excessive.
- 6.10 Unless the court orders otherwise, the costs of the application shall be paid by the applicant and are not payable as an expense of the liquidation.
- 6.11 Further guidance may be found in “A Guide to Liquidators’ Fees” which is attached at Appendix D. If you would prefer this to be sent to you in hard copy form, please contact Emma Edgar of this office on 0161 413 0930.



## 7 MATTERS STILL TO BE DEALT WITH

7.1 Matters still to be dealt with before conclusion of the liquidation include the following:

- A final distribution to the members;
- Resolution to shareholders in relation to joint liquidators' remuneration;
- Clearance from HM Revenue and Customs; and
- Progress to closure.

## 8 OTHER MATTERS

### Data Protection

8.1 When submitting details of your claim in the liquidation, you may disclose personal data to the joint liquidators or their staff. The processing of personal data is regulated in the UK by the General Data Protection Regulation EU 2016/679 as supplemented by the Data Protection Act 2018, together with other laws which relate to privacy and electronic communications. The joint liquidators act as Data Controller in respect of personal data obtained in relation to this liquidation and are therefore responsible for complying with Data Protection Law in respect of any personal data they process. Leonard Curtis' privacy notice, which is attached at Appendix D, explains how your personal data is processed. Terms used in this clause bear the same meanings as are ascribed to them in Data Protection Law.

8.2 The joint liquidators are bound by the Insolvency Code of Ethics, which can be found at:

<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

Yours faithfully



**STEVE MARKEY**  
**JOINT LIQUIDATOR**

Steve Markey and Martin Maloney are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales under office holder numbers 14912 and 9628, respectively

APPENDIX A

SUMMARY OF JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS  
FROM 1 MARCH 2022 TO 28 FEBRUARY 2023

|  | Estimated<br>to Realise | As at 28<br>February 2022 | Movements<br>in the period | As at 28<br>February 2023 |
|--|-------------------------|---------------------------|----------------------------|---------------------------|
|  | £                       | £                         |                            | £                         |
| <b>RECEIPTS</b>                              |                         |                           |                            |                           |
| Debtors                                      | 700,301                 | 828,193.11                | -                          | 828,193.11                |
| Balance at Bank                              | 323,490                 | 572,922.28                | -                          | 572,922.28                |
| Investment Property                          | 325,000                 | 310,000.00                | -                          | 310,000.00                |
| Investments / Shares                         | 7,518,476               | 5,065,404.63              | 701,416.50                 | 5,766,821.13              |
|  | <b>8,867,267</b>        | <b>6,776,520.02</b>       | <b>701,416.50</b>          | <b>7,477,936.52</b>       |
| <b>PAYMENTS</b>                              |                         |                           |                            |                           |
| Joint Liquidators' Remuneration              |                         | 10,000.00                 | -                          | 10,000.00                 |
| Professional Fees                            |                         | 5,000.00                  | 6,783.28                   | 11,783.28                 |
| Software Licence Fee                         |                         | 87.00                     | -                          | 87.00                     |
| Bond Fee                                     |                         | 600.00                    | -                          | 600.00                    |
| Postage                                      |                         | 4.16                      | -                          | 4.16                      |
| Statutory Advertising                        |                         | 286.20                    | -                          | 286.20                    |
| AML Checks                                   |                         | 15.00                     | -                          | 15.00                     |
| Irrecoverable VAT                            |                         | 3,198.47                  | 1,356.66                   | 4,555.13                  |
| <b>TOTAL COSTS AND CHARGES PAID</b>          |                         | <b>19,190.83</b>          | <b>8,139.94</b>            | <b>27,330.77</b>          |
| <b>DISTRIBUTIONS</b>                         |                         |                           |                            |                           |
| First and Final (Preference) - £1/Share      |                         | 40,000.00                 | -                          | 40,000.00                 |
| First Interim (Ordinary A) - £1/Share        |                         | 10,500.00                 | -                          | 10,500.00                 |
| First Interim (Ordinary B) - £1/Share        |                         | 27,000.00                 | -                          | 27,000.00                 |
| Second Interim (Ordinary A & B) - £174/Share |                         | 6,525,000.00              | -                          | 6,525,000.00              |
|  |                         | <b>6,602,500.00</b>       | -                          | <b>6,602,500.00</b>       |
| <b>BALANCE</b>                               |                         | <b>154,829.19</b>         | <b>693,276.56</b>          | <b>848,105.75</b>         |

## SUMMARY OF JOINT LIQUIDATORS' EXPENSES FROM 1 MARCH 2021 TO 28 FEBRUARY 2023

## Standard Expenses

| Type                  | Charged by                   | Description                        | Total Amount Incurred to Date<br>£ | Amount Incurred in This Period<br>£ | Amount Paid<br>£ | Amount Unpaid<br>£ |
|-----------------------|------------------------------|------------------------------------|------------------------------------|-------------------------------------|------------------|--------------------|
| AML Checks            | Business Tax Centre          | Electronic client verification     | 15.00                              | -                                   | 15.00            | -                  |
| Bond Fee              | AUA Insolvency Risk Services | Insurance bond                     | 600.00                             | -                                   | 600.00           | -                  |
| Software Licence Fee  | Pelstar                      | Case management system licence fee | 87.00                              | -                                   | 87.00            | -                  |
| Statutory Advertising | Courts Advertising           | Advertising                        | 286.20                             | -                                   | 286.20           | -                  |
|                       |                              | <b>Total standard expenses</b>     | <b>988.20</b>                      | <b>-</b>                            | <b>988.20</b>    | <b>-</b>           |

## Case Specific Expenses

| Type              | Charged by             | Description                                      | Total Amount Incurred to Date<br>£ | Amount Incurred in This Period<br>£ | Amount Paid<br>£ | Amount Unpaid<br>£ |
|-------------------|------------------------|--|------------------------------------|-------------------------------------|------------------|--------------------|
| Professional Fees | Hallidays              | Tax advice                                       | 11,783.28                          | 6,783.28                            | 11,783.28        | -                  |
| Postage           | Postworks              | Mail charges                                     | 23.30                              | 6.60                                | 4.16             | 19.14              |
| Irrecoverable VAT | HM Revenue and Customs | VAT charged on invoices that cannot be reclaimed | 4,555.13                           | 1,356.66                            | 4,555.13         | -                  |
|                   |                        | <b>Total case specific expenses</b>              | <b>16,361.71</b>                   | <b>8,146.54</b>                     | <b>16,342.57</b> | <b>19.14</b>       |

**LEONARD CURTIS POLICY REGARDING FEES AND EXPENSES****Staff Allocation and Charge Out Rates**

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by the appropriate body of creditors that the office holders’ remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters as set out in a fees estimate, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to request and obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rates given below.

The following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

|                 | <b>6 Jan 2014 onwards</b> |         | <b>1 Aug 2019 onwards</b> |         | <b>1 March 2021 onwards</b> |         |
|-----------------|---------------------------|---------|---------------------------|---------|-----------------------------|---------|
|                 | Standard                  | Complex | Standard                  | Complex | Standard                    | Complex |
|                 | £                         | £       | £                         | £       | £                           | £       |
| Director        | 450                       | 562     | 525                       | 656     | 550                         | 688     |
| Senior Manager  | 410                       | 512     | 445                       | 556     | 465                         | 581     |
| Manager 1       | 365                       | 456     | 395                       | 494     | 415                         | 518     |
| Manager 2       | 320                       | 400     | 345                       | 431     | 365                         | 456     |
| Administrator 1 | 260                       | 325     | 280                       | 350     | 295                         | 369     |
| Administrator 2 | 230                       | 287     | 250                       | 313     | 265                         | 331     |
| Administrator 3 | 210                       | 262     | 230                       | 288     | 245                         | 306     |
| Administrator 4 | 150                       | 187     | 165                       | 206     | 175                         | 219     |
| Support         | 0                         | 0       | 0                         | 0       | 0                           | 0       |

In respect of assignments pre-dating 1 March 2022, office holders’ remuneration may include costs incurred by the firm’s in-house legal team, which may be used for non-contentious matters pertaining to the insolvency appointment.

**Use of Associates**

We are required to disclose to those responsible for approving our remuneration whether any payments we intend to make from an insolvency estate are to Associates of Leonard Curtis (LC). The term “Associate” is defined in s435 of the Insolvency Act 1986, but we are also required to consider the substance or likely perception of any association between the appointed insolvency practitioner, their firm (LC) or an individual within the firm and the recipient of a payment. Payments to Associates are subject to the same level of approval as the office holder’s fees and category 2 expenses (see table on the next page for further details).

Leonard Curtis Legal Limited (LC Legal) are part of the Leonard Curtis group; as such they are an “Associate” of LC. Where LC Legal are instructed to assist an office-holder in a particular matter from 1 March 2022 onwards, details of their proposed costs will be provided to creditors and specific approval for payment will be sought.

Additionally, Pelstar Limited (Pelstar) provides insolvency case management software and document hosting facilities to LC. Until 31 December 2022, LC employed an individual who is married to a director of Pelstar, and as such, whilst not meeting the legal definition of “Associate”, we were aware that there was a perceived association between LC and Pelstar and specific approval of their costs were sought accordingly. As this individual is no longer employed by LC, this is no longer required and Pelstar costs invoiced with effect from 1 January 2023 will be paid without prior approval.

**Use of Professional Advisors**

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements. The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

### Use of Subcontractors

Where we subcontract out work that could otherwise be carried out by the office holder or his/her staff, this will be drawn to the attention of creditors in any report which incorporates a request for approval of the basis upon which remuneration may be charged. An explanation of why the work has been subcontracted out will also be provided.

### Categorisation of Expenses

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses: standard expenses and case specific expenses. These are explained in more detail below:

- a) Standard Expenses – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include:

| Type   | Description   | Amount  |      |           |                |     |        |       |     |       |       |     |       |       |     |       |       |     |        |       |     |        |       |     |                                  |  |
|--|---|---|------|-----------|----------------|-----|--------|-------|-----|-------|-------|-----|-------|-------|-----|-------|-------|-----|--------|-------|-----|--------|-------|-----|----------------------------------|--|
| AML checks via Smartsearch                       | Electronic client verification in compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017   | £5.00 plus VAT per search<br><br>Note that with effect from 1 April 2021, these costs are no longer recovered from the estate.  |      |           |                |     |        |       |     |       |       |     |       |       |     |       |       |     |        |       |     |        |       |     |                                  |  |
| Bond / Bordereau fee via AUA Insolvency Services | Insurance bond to protect the insolvent entity against any losses suffered as a result of the fraud or dishonesty of the IP   | £10.00 to £1,200.00 dependent on value of assets within case  |      |           |                |     |        |       |     |       |       |     |       |       |     |       |       |     |        |       |     |        |       |     |                                  |  |
| Company searches via Companies House             | Extraction of company information from Companies House  | £1.00 per document unless document can be accessed via the free service   |      |           |                |     |        |       |     |       |       |     |       |       |     |       |       |     |        |       |     |        |       |     |                                  |  |
| Document hosting via Pelstar Limited             | Hosting of documents via a secure portal for access by creditors/shareholders. Costs are charged per upload plus VAT and are generally dependent upon the number of creditors. The costs are commensurate with those charged by other providers of comparable services. | <table><tr><th>Type</th><th>First 100</th><th>Every addtl 10</th></tr><tr><td>ADM</td><td>£14.00</td><td>£1.40</td></tr><tr><td>CVL</td><td>£7.00</td><td>£0.70</td></tr><tr><td>MVL</td><td>£7.00</td><td>£0.70</td></tr><tr><td>CPL</td><td>£7.00</td><td>£0.70</td></tr><tr><td>CVA</td><td>£10.00</td><td>£1.00</td></tr><tr><td>BKY</td><td>£10.00</td><td>£1.00</td></tr><tr><td>IVA</td><td colspan="2">£10 p.a. or £25 for life of case</td></tr></table> | Type | First 100 | Every addtl 10 | ADM | £14.00 | £1.40 | CVL | £7.00 | £0.70 | MVL | £7.00 | £0.70 | CPL | £7.00 | £0.70 | CVA | £10.00 | £1.00 | BKY | £10.00 | £1.00 | IVA | £10 p.a. or £25 for life of case |  |
| Type   | First 100   | Every addtl 10  |      |           |                |     |        |       |     |       |       |     |       |       |     |       |       |     |        |       |     |        |       |     |                                  |  |
| ADM  | £14.00  | £1.40   |      |           |                |     |        |       |     |       |       |     |       |       |     |       |       |     |        |       |     |        |       |     |                                  |  |
| CVL  | £7.00   | £0.70   |      |           |                |     |        |       |     |       |       |     |       |       |     |       |       |     |        |       |     |        |       |     |                                  |  |
| MVL  | £7.00   | £0.70   |      |           |                |     |        |       |     |       |       |     |       |       |     |       |       |     |        |       |     |        |       |     |                                  |  |
| CPL  | £7.00   | £0.70   |      |           |                |     |        |       |     |       |       |     |       |       |     |       |       |     |        |       |     |        |       |     |                                  |  |
| CVA  | £10.00  | £1.00   |      |           |                |     |        |       |     |       |       |     |       |       |     |       |       |     |        |       |     |        |       |     |                                  |  |
| BKY  | £10.00  | £1.00   |      |           |                |     |        |       |     |       |       |     |       |       |     |       |       |     |        |       |     |        |       |     |                                  |  |
| IVA  | £10 p.a. or £25 for life of case  |   |      |           |                |     |        |       |     |       |       |     |       |       |     |       |       |     |        |       |     |        |       |     |                                  |  |
| Software Licence fee hosting via Pelstar Limited | Payable to software provider for use of case management system. The costs are commensurate with those charged by other providers of comparable services.  | £87.00 plus VAT per case  |      |           |                |     |        |       |     |       |       |     |       |       |     |       |       |     |        |       |     |        |       |     |                                  |  |
| Postage via Royal Mail or Postworks              | Cost of posting documents which are directly attributable to a case to external recipients  | Calculated in accordance with applicable supplier rates and dependent on the number of pages and whether the document is sent by international, first or second class post.   |      |           |                |     |        |       |     |       |       |     |       |       |     |       |       |     |        |       |     |        |       |     |                                  |  |
| Post re-direction via Royal Mail                 | Redirection of post from Company's premises to office-holders' address  | 0-3 months £216.00<br>3-6 months £321.00<br>6-12 months £519.00   |      |           |                |     |        |       |     |       |       |     |       |       |     |       |       |     |        |       |     |        |       |     |                                  |  |
| Statutory advertising via advertising agents     | Advertising of appointment, notice of meetings etc.<br>- London Gazette<br>- Other  | £91.80 - £102.00 plus VAT per advert<br>Dependent upon advert and publication   |      |           |                |     |        |       |     |       |       |     |       |       |     |       |       |     |        |       |     |        |       |     |                                  |  |
| Storage costs                                    | Costs of storage of case books and records  | £5.07 plus VAT per box per annum plus handling charges  |      |           |                |     |        |       |     |       |       |     |       |       |     |       |       |     |        |       |     |        |       |     |                                  |  |

## High Yield Investment Company Limited – In Members' Voluntary Liquidation

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- b) Case-specific expenses – this category includes expenses (other than office-holders' fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include but may not be restricted to:

| Type                 | Description   | Amount  |
|----------------------|---|---|
| Agents' fees         | Costs of appointed agents in valuing and realising assets   | Time costs plus disbursements plus VAT                              |
| Debt Collection fees | Costs of appointed debt collectors in realising debts   | Generally agreed as a % of realisations plus disbursements plus VAT |
| Legal fees           | Costs of appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions. Where the solicitor appointed is LC Legal, any fee payable for work completed is classed as a payment to an associate and requires specific creditor / committee approval as detailed above. | Time costs plus disbursements plus VAT                              |
| Other expenses       | See Category 1 and 2 expenses notes below   | See Category 1 and 2 expenses notes below                           |

Please note that expenses are generally categorised as Category 1 or Category 2:

- a) Category 1 expenses: These are payments to independent third parties providing the service to which the expense relate. These may include, for example, advertising, external room hire, storage costs, postage costs, telephone charges, travel expenses (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 expenses may be paid without prior approval.
- b) Category 2 expenses: These are costs that are directly referable to the appointment in question, but not paid to an independent third party. They may include costs which have an element of shared cost. The following items of expenditure are recharged on this basis and are charged at HMRC approved rates:

Business mileage

45p per mile

Payments to Associates (as defined above) are categorised by LC in the same way as Category 2 expenses. Category 2 expenses and payments to Associates may only be drawn if they have been approved in the same manner as an office holder's remuneration.

## A GUIDE TO LIQUIDATORS' FEES

### 1. Introduction

1.1 When a company goes into liquidation the costs of the proceedings are paid out of its assets. The members (shareholders), who hope to recover some of their investment, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as Liquidator.

1.2 The insolvency legislation recognises this interest by providing mechanisms for members to fix the basis of the Liquidator's fees. This guide is intended to help members be aware of their rights to approve and monitor fees, explains the basis on which fees are fixed and how members 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. A solvent voluntary liquidation is called a members' voluntary liquidation (often abbreviated to 'MVL'). In this type of liquidation an insolvency practitioner acts as Liquidator throughout and the members vote on the appointment of the Liquidator at a meeting of members or by passing written resolutions under the Companies Act 2006.

### 3. Fixing the Liquidator's remuneration

3.1 The basis for fixing the Liquidator's remuneration is set out in Rules 18.16, 18.17 and 18.19 of the Insolvency (England & Wales) Rules 2016. 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.

3.2 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.

3.3 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. 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.

3.4 If there is no liquidation committee, (which is usually the case in an MVL) or the committee does not make the requisite determination, the Liquidator's remuneration will be fixed by a resolution of a meeting of members. The members 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. 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.

### 5. What information should be provided by the Liquidator?

#### When fixing bases of remuneration

5.1 The Liquidator should provide those responsible for approving the basis of remuneration sufficient information to enable the committee or the members to make an informed judgement about the reasonableness of the Liquidator's request. The information should be presented in such a manner which is transparent, consistent throughout the life of the case, while being proportionate to the circumstances of the case.

#### Fees estimates where remuneration is based on time costs

5.2 If any part of the remuneration is sought on a time costs basis, the Liquidator should provide detailed information in the form of a written fees estimate which specifies:

- Details of the work the Liquidator and staff propose to undertake
- The hourly rates to be charged for each part of that work
- The time the Liquidator anticipates each part of the work will take

5.3 In addition, the Liquidator should provide an estimate of the expenses that will be or are likely to be incurred.

#### Other

#### General principles

5.4 When reporting, the Liquidator should disclose:

- Payments, remuneration and expenses arising from the Liquidation paid to the Liquidator or any 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

5.5 The Liquidator should inform members of their rights under insolvency legislation, and should advise them how they may access suitable information setting out their rights, within the first communication and in each subsequent Report.

5.6 Where the proposed charge is calculated on a time costs basis, the Liquidator should disclose the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. The Liquidator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the Liquidator or his or her staff.

#### After the bases of remuneration have been fixed

5.7 The Liquidator is required to send progress reports to members at specified intervals (see paragraph 6.1 below). When reporting periodically to members, in addition to the matters specified in paragraph 6.1, the Liquidator should provide an explanation of what has been achieved in the period under review and how it was achieved, sufficient to enable the progress of the case to be assessed.

5.8 Members should be able to understand whether the remuneration charged is reasonable in the circumstances of the case (whilst recognising that the Liquidator must fulfil certain statutory obligations and regulatory requirements that might be perceived as bringing no added value for the estate).

5.9 Where any remuneration is on a time costs basis, the Liquidator should disclose the charge in respect of the period, the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. If there have been any changes to the charge-out rates during the period under review, rates should be disclosed by grades of staff, split by the periods applicable. The Liquidator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the Liquidator or his or her staff.

5.10 Where a fees estimate has been provided, remuneration cannot be drawn in excess of the fees estimate without the approval of the Liquidation committee, (if there is one) or more likely, the members themselves. The Liquidator should state:

- Why the estimate has been, or is likely to be exceeded
- The additional work required to be undertaken
- The hourly rates proposed to be charged for each part of the additional work
- The time the additional work has taken or is anticipated it will take



### Expenses

5.11 Costs met by and reimbursed to the Liquidator in connection with the liquidation should be appropriate and reasonable. Such costs will fall into two categories:

- Category 1 expenses: These are costs where there is specific expenditure directly referable both to the liquidation and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the Liquidator or his or her staff.
- Category 2 expenses: 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 can be allocated to the liquidation on a proper and reasonable basis, for example, business mileage.

5.12 Category 1 expenses 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 expenses may be drawn if they have been approved in the same manner as the Liquidator's remuneration. When seeking approval, the Liquidator should explain, for each category of expense, the basis on which the charge is being made.

5.13 The following are not permissible:

- 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.

### Realisations for secured creditors

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

## 6. Progress reports and requests for further information

6.1 The Liquidator is required to send annual progress reports to members. 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;
- details of progress during the period of the report, including a summary of the receipts and payments during the period;
- details of what remains to be done;
- a statement of the members' rights to request further information, as explained in paragraph 6.2, and their right to challenge the Liquidator's remuneration and expenses.

6.2 Within 21 days of receipt of a progress report, a member may request the Liquidator to provide further information about the remuneration and expenses set out in the report. Any request must be in writing.

6.3 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
- the Liquidator is subject to an obligation of confidentiality in relation to the information requested

6.4 Any member 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.

### **7. What if a member is dissatisfied?**

7.1 Except in cases where there is a liquidation committee, it is the members 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 members' meeting. In order to do this at least ten per cent in value of the members must concur with the request, which must be made to the Liquidator in writing.

7.2 If a member 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.

### **8. What if the Liquidator is dissatisfied?**

8.1 If the Liquidator considers that the remuneration fixed by the liquidation committee, or by the members is insufficient, or that the basis used to fix it is inappropriate, the Liquidator may apply to the court for the amount or rate to be increased or the basis changed.

8.2 If the Liquidator 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 shareholders 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.

### **9. Other matters relating to remuneration**

9.1 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.

9.2 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 to a meeting of members.

9.3 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 members or the court.

9.4 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.

9.5 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.

### **10. Effective date**

10.1 This guide applies where a company goes into liquidation on or after 6 April 2017.

## PRIVACY NOTICE

### Information we collect and hold about you

By requesting details of your claim in this insolvency, we may collect Personal Data from you, particularly if you are a consumer creditor, a sole trader or are lodging a claim in your personal capacity.

Personal Data is information relating to a living individual. Whenever Personal Data is processed, collected, recorded, stored or disposed of it must be done within the terms of the General Data Protection Regulation ("the GDPR"). Examples of Personal Data include but may not be limited to your name, address, telephone number and email contact details.

If you do not provide us with the information we require, this may adversely affect our ability to deal with your claim, but we would ask you not to submit more Personal Data than we request from you.

### Legal justification for processing your Personal Data

The processing of your Personal Data by us is necessary to enable us to comply with legal obligations under the Insolvency Act 1986 and associated legislation which we are subject to as Insolvency Practitioners.

### How we use your information

All information you supply to us is required to enable us to comply with our duties under the Insolvency Act 1986 and associated legislation. It will be used to enable us to assess the extent of the insolvent entity's liabilities, to allow you to vote on any decision procedures, to enable us to communicate with you, to process your claim and to pay any dividends which may be due to you from the insolvent estate.

### Who we share your information with

We may be required to share some of your Personal Data with other creditors. The data which will be shared with other creditors will be limited to that specifically required to be disclosed under insolvency legislation.

We may share some of your information with our Data Processors. Data Processors include solicitors, accountants and employment law specialists who assist us with our duties where required. We will only share your information with our Data Processors if we require their specialist advice. All of our Data Processors are subject to written contracts with us to ensure that your Personal Data is processed only in accordance with the GDPR.

### How long will we hold your Personal Data for?

We will need to hold your Personal Data for a period of time after the insolvency has been concluded. This is to enable us to deal with any queries which might arise. Our Records Management Policy requires us to destroy our physical files 6 years after closure of the case. Electronic data files will be removed from our Case Management System 6 years after conclusion of the case but may be held on our server for a longer period of time but with restricted access.

### Your rights in respect of your Personal Data

You have the right to request access to your Personal Data and to require it to be corrected or erased. You also have the right to request a restriction in the way we process your Personal Data or to object to its processing. You should be aware however that we may not be able to comply with your request if this would affect our ability to comply with our legal obligations.

You have the right to Data Portability. This is a right to have the Personal Data we hold about you to be provided to you in a commonly used and machine-readable format so that you can transfer that Data to another organisation in a way that is not too onerous to upload the Data.

### Your right to complain

You have the right to be confident that we are handling your Personal Data responsibly and in line with good practice. If you have a concern about the way we are handling your Personal Data you should contact our Privacy Manager in the first instance.

## High Yield Investment Company Limited – In Members' Voluntary Liquidation

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If you are unable to resolve your concerns with us, you have the right to complain to the Information Commissioners' Office. The Information Commissioner can be contacted at Wycliffe House, Water Lane, Wilmslow, Cheshire SK6 5AF or on 0303 123 1113.

### Contacting us

If you have any questions relating to the processing of your Personal Data, please write to our Privacy Manager at Leonard Curtis, 5<sup>th</sup> Floor, Grove House, 248A Marylebone Road, London NW1 6BB Alternatively our Privacy Manager can be contacted by telephone on 0207 535 7000 or by email: [privacy@leonardcurtis.co.uk](mailto:privacy@leonardcurtis.co.uk).

**Data Controller: LEONARD CURTIS**