

The Insolvency Act 1986

Form 4.68

S.192

**Liquidator's Progress Report
Pursuant to Sections 92A, 104A and 192 of
The Insolvency Act 1986**

For Official Use

To the Registrar of Companies

Company Number

01013881

Name of Company

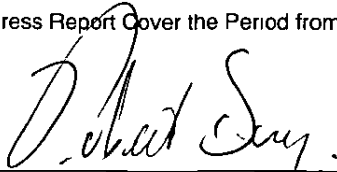
Hoffung Limited

I / ~~We~~
Robert Day
Robert Day and Company Limited
The Old Library, The Walk
Winslow
Buckingham MK18 3AJ

the liquidator~~(s)~~ of the company attach a copy of my progress report
under section 192 of the Insolvency Act 1986

The Progress Report Cover the Period from 20/07/11 to 19/07/13

Signed



Date 22/07/2013

Robert Day and Company Limited
The Old Library
The Walk
Winslow
Buckingham MK18 3AJ

Ref

For Official Use
Insolvency Sect Post Room

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24/07/2013

COMPANIES HOUSE

#207

Hoffung Limited (formerly Myford Limited) – In Liquidation ('the company')

Company Number: 01013881

Current Registered Office: c/o Robert Day and Company Limited, The Old Library, The Walk, Winslow, Buckingham MK18 3AJ

Previous Registered Office Wilmot Lane, Chilwell Road, Beeston, Nottingham NG9 1ER

Trading Address Wilmot Lane, Chilwell Road, Beeston, Nottingham NG9 1ER

Basis of Remuneration Time Cost

Office Holder Details: Robert Day of Robert Day and Company Limited, The Old Library, The Walk, Winslow, Buckingham MK18 3AJ

Date of Appointment 20 July 2011

1. Introduction

This report sets out an account of my acts and dealings and the conduct of the liquidation during the period 20 July 2011 to 19 July 2013

2 Receipts and Payments Account

A copy of my receipts and payments account for the period 20 July 2011 to 19 July 2013 is attached to this report

3. Planning

I planned to discharge my obligations to creditors by seeking to maximise asset realisations, minimise the input required from me, compatible with complying with the various statutory and professional regulatory requirements which flowed from my appointment and consequently to maximise any return to the creditors

4 Administration

Details of my appointment were advertised, as required, in the London Gazette, and submitted to Companies House with accompanying documents I also provided information on my appointment to the insurers who have given me a bond

The necessary records have been maintained, on behalf of the company, to enable me to file the relevant returns at Companies House made necessary by Section 192 of the Insolvency Act 1986

5 Asset Realisations

The director's estimated statement of affairs dated 20 July 2011 detailed the company's assets as being as follows -

Tangible Assets with a book value as at 30 September 2009 of £33,405 and an estimated to realise value of £0,

Stocks with a book value as at 30 September 2009 of £1,263,626 and an estimated to realise value of £0,

Debtors with a book value as at 30 September 2009 of £39,673 and an estimated to realise value of uncertain and

Cash at Bank and In Hand with a book value as at 30 September 2009 of £181,450 and an estimated to realise value of £58,489

The company's tangible assets and stocks were sold prior to the company entering into liquidation (hence the estimated to realise value of nil in the director's estimated statement of affairs dated 20 July 2011) I made enquiries into the circumstances surrounding this sale and instructed solicitors to assist me in this regard. These enquiries are now complete and I have reached the conclusion that due to various mitigating factors, including the age and condition of the tangible assets and stocks sold and the costs that would have been incurred by the liquidation in cleaning, servicing and transporting said assets the court would be unlikely to rule that there had been any sort of reversible transaction.

The company had an outstanding debtor ledger in the sum of £17,703 37 as of the date it entered into liquidation (to which an uncertain estimated to realise value was attributed in the director's estimated statement of affairs dated 20 July 2011). Upon attempting to realise these debtors it became apparent that the majority of the debtors had actually paid the amounts due from them directly to the company either shortly before or after the company entered into liquidation and said payments were made into the company's account held with HSBC Bank Plc. Given the time that has elapsed since the commencement of the liquidation I am of the view that no further debtor realisations are likely in this matter.

The sum of £55,840 13 has been realised in respect of the closing balance on the company's account held with HSBC Bank Plc (this includes amounts received in respect of the pre-liquidation sale of the company's tangible assets and stocks referred to above). There is a slight difference between the actual amount realised and the estimated to realise value detailed in the director's estimated statement of affairs dated 20 July 2011 and this is due firstly to the fact that the bank exercised its right of off set and used part of the credit balance on the company's account to discharge the debit balance on the company's commercial credit card held with them. Secondly a small number of payments left the company's account between the provision of the estimated to realise value for the purpose of the director's estimated statement of affairs and the actual closure of the account. Given the quantum of these payments I did not consider it commercially viable to pursue this matter further.

Additional realisations have occurred in the form of bank interest gross totalling £223 80, a business rates refund of £1,258 14, an insurance refund of £45 00 and sundry refunds totalling £60 65.

The sum of £6,235 20 has also been received in respect of VAT receivable incurred and reclaimed since the company was deregistered for VAT purposes. I have lodged a further reclaim of £2,020 00 with HM Revenue & Customs in this regard.

6 Liabilities

The claims of all preferential creditors (£6,784 24) were paid in full on 16 April 2013.

I have received 36 claims from unsecured non-preferential creditors totalling £121,328 01.

I will be declaring and paying a small first and final dividend to unsecured non-preferential creditors in this matter prior to finalising my administration of the liquidation.

7 Investigations

The professional rules under which Insolvency Practitioners operate require me to conduct a review of the company's pre-liquidation activities with a view to forming an opinion as to whether there is a possibility of recoveries being made for creditors. I would refer you to paragraph 6 of the asset realisations section of this report in this regard.

I have submitted a report to the Department for Business, Innovation and Skills with regard to the conduct of the company's director. However, this is a matter that will remain confidential between the DBIS and me and no further information will be supplied.

8 Liquidator's Remuneration

The time costs in dealing with the liquidation to 19 July 2013 amount to £31,119.00. This represents 194.2 hours at an average charge out rate of £160.24 per hour. The sum of £31,000.00 has been drawn in respect of these costs in accordance with the resolution passed at the meeting of the company's creditors held on 20 July 2011. The balance remains undischarged.

A breakdown of the Liquidator's Time and Charge Out Rates is attached to this report.

I have also drawn the sum of £5,000.00 including disbursements plus VAT in respect of my fee for convening the meetings of directors, shareholders and creditors held on 20 July 2011 and assisting the director in the preparation of the report and statement of affairs presented at said meetings. This fee has also been drawn in accordance with the resolution passed at the meeting of the company's creditors held on 20 July 2011.

The sum of £5,276.00 has been paid to the firm of solicitors instructed by me to assist me with my enquiries in the pre-liquidation sale of the company's tangible assets and stocks.

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 office holder's resignation) a creditor, or in the case of an MVL a member, may request the office holder to provide further information about the remuneration and expenses set out in the report. A request must be made in writing, and may be made by

- a secured creditor, or
- an unsecured creditor with the concurrence of at least 5% in value of the creditors (including that creditor) or the permission of the court,
- in the case of an MVL, by members of the company with at least 5% of the total voting rights of all the members having the right to vote at general meetings, or
- with the permission of the court –
 - any unsecured creditor
 - in the case of an MVL, any member

The Office Holder must provide the requested information within 14 days, unless he considers that

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

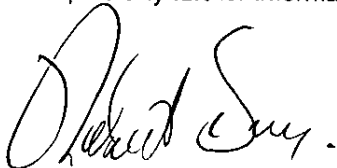
in which case he must give the reasons for not providing the information.

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

I also attach a further copy of 'A Creditors' Guide to Liquidator's Fees' for your information

9. Conclusion

If you require any further information or clarification on any matter please contact me

A handwritten signature in black ink, appearing to read 'Robert Day', with a stylized flourish at the end.

Robert Day
Liquidator

Hoffung Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs		From 20/07/11 To 19/07/12		From 20/07/12 To 19/07/13		Total
SECURED ASSETS						
			0 00	0 00	0 00	
ASSET REALISATIONS						
		Bank Interest Gross	131 19	92 61	223 80	
		Business Rates Refund	1 258 14	0 00	1,258 14	
58,489		Cash at Bank	55,840 13	0 00	55,840 13	
		Insurance Refund	45 00	0 00	45 00	
		Sundry Refunds	60 65	0 00	60 65	
		VAT Reclaimed	5,660 20	575 00	6 235 20	
			62,995 31	667 61	63,662 92	
COST OF REALISATIONS						
		Legal Fees & Disbursements	3,176 00	2,100 00	5,276 00	
		Liquidator's Fees	23,000 00	8,000 00	31,000 00	
		Statement of Affairs Fee	5,000 00	0 00	5,000 00	
		VAT	6,235 20	2,020 00	8,255 20	
			37,411 20	12,120 00	49,531 20	
PREFERENTIAL CREDITORS						
14,400			0 00	6,784 24	6 784 24	
UNSECURED CREDITORS						
			0 00	0 00	0 00	
DISTRIBUTIONS						
			0 00	0 00	0 00	
		Balance in Hand	25,584 11	-18,236 63	7,347 48	
REPRESENTED BY						
		Bank 1 Current	25,584 11	-18,236 63	7,347 48	
			25,584 11	-18,236 63	7,347 48	



Robert Day
Liquidator

Hoffung Limited - In Liquidation**Liquidator's Time and Charge Out Summary from 20 July 2011 to 19 July 2013**

Hours				Time Cost £	Average Hourly Rate £
Classification of work function	Liquidator	Manager	Total Hours		
Administration and Planning	23 9	30 3	54 2	8,751 00	161 46
Investigations	13 4	16 5	29 9	4,840 50	161 89
Realisation of Assets	27 1	19 8	46 9	7,957 50	169 67
Trading	-	-	-	-	-
Creditors	17 3	41 5	58 8	8,976 00	152 65
Case Specific Matters	-	4 4	4 4	594 00	135 00
Total Hours	81 7	112 5	194 2	31,119 00	160 24
Total Fees Claimed (£)	15,931 50	15,187 50	-	-	-

Charge Out Rate Summary

Description	Hourly Rate (£)	Dates
Liquidator	195	20/07/11 - 19/07/13
Manager	135	20/07/11 - 19/07/13

Note - Time costs are calculated at 6 minute units

Post Appointment Disbursements

No Post Appointment Disbursements have been charged

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 charge-out 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