

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

01055510

Name of Company

Carpet Centre (Wombwell) Limited

I / 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 25/02/2016 to 24/02/2017

Signed

Date

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

Ref: CARPETC/KWM/JNH/AS

SATURDAY



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13/05/2017

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COMPANIES HOUSE

Harrisons

Business recovery and insolvency specialists

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

T 01476 574149

F 0845 0893489

E grantham@harrisonsinsolvency.co.uk

W www.harrisonsinsolvency.co.uk

Partners

J N Harrison FCA MIPA FABRP

K W Marland MIPA FABRP

A P Smith MAAT MIPA MABRP

Carpet Centre (Wombwell) Limited – in Liquidation **Joint Liquidators Progress Report** **For the Period: 25th February 2016 to 24th February 2017**

Registered Office

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

Registered Number

01055510

Date of Liquidation

25th February 2015

Appointment Details

Kenneth Webster Marland
Joint Liquidator

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

Appointed: 25th February 2015

John Neil Harrison
Joint Liquidator

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

Appointed: 25th February 2015

Changes to Office Holders

No changes since commencement of liquidation.

J N Harrison 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

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 25th February 2016 to 24th February 2017.

Our first Progress Report for the year ending 24th February 2016 is still available on our website and can be accessed using the same security details used to access this report.

Information previously provided will not therefore be repeated.

Utility Refund

In the period under review a cheque was received from Eon, being a refund of £39.73. This related to a mistake in calculating a VAT Climate Change Levy.

Other Matters

As previously reported, we had instructed agents in connection with the winding up of the Company's pension scheme.

Those agents have now confirmed that the winding up of the scheme is now complete.

Investigations

In the period under review we have become aware of some bank transactions that require further investigation.

We do not intend to disclose any further detail here as to do so may prejudice the investigations and the outcome of the same.

We can confirm that we have written to Barclays Bank for more information.

It is hoped that we can provide creditors with more details in due course.

Assets Realisations that Remain Outstanding

Full details of asset realisations are outlined above, with the only matter outstanding being the ongoing investigation.

Only once those investigations has been concluded will we be in a position to conclude the liquidation.

Creditor Claims & Outcome for Creditors

Yorkshire Bank has a legal charge over 59 Barnsley Road, South Elmsall, West Yorkshire, for all monies due or to become due from the company. The charge was created on 25th January 1976 and registered on 4th February 1976, prior to the acquisition of the business by L Trevor Longden. The company does not have an interest in the asset nor does the director believe there to be any liability due to the bank.

Barclays Bank Plc has a legal charge over Land & Buildings on the South Side of Church Street, Jump, South Yorkshire Title Number SYK106722, for all monies due or to become due from the company. The charge was created on 20th June 1986 and registered on 8th July 1986. This relates to a small warehouse owned by the company which was sold over 12 years ago.

Barclays Bank Plc also has a legal charge over Land & Buildings on the East Side of Melville Street, Wombwell, South Yorkshire Title Number SYK73286, for all monies due or to become due from the company. The charge was created on 20th June 1986 and registered on 8th July 1986. This relates to a piece of land at the rear of the 65 High Street, Wombwell, both of which were owned by the director. The land was sold as part of the sale of 65 High Street in 2007.

Barclays Bank has confirmed they no longer hold any security and that they are an unsecured creditor in the liquidation. They do however have the benefit of a personal guarantee for £45,000 from the director.

Preferential creditor claims in the sum of £4,536 have been received. No further preferential claims are anticipated.

The Prescribed Part pursuant to Section 176A of the Insolvency Act 1986, as amended, does not apply to this liquidation as there are no floating charges registered at Companies House.

Unsecured creditor claims were anticipated to be £197,129.

Unsecured creditor claims received to date amount to £101,605, with projected unsecured claims expected to be £215,538.

It is anticipated that a small dividend will be available to Preferential Creditors only, the quantum of which will be confirmed once our investigations as detailed earlier in this report have been concluded.

No time has been expended on agreeing unsecured creditor claims for dividend purposes as it is not anticipated that a dividend will be available to this class of creditor.

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 25th February 2015.

The fee has been paid in full.

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 £2,520. This relates to 4.90 chargeable hours at an average charge out rate across all grades of staff of £494.12 per hour.

Total time costs incurred since the commencement of the liquidation to 24th February 2017 are £12,420. This relates to 30.30 chargeable hours at an average charge out rate across all grades of staff of £409.90 per hour.

Fees drawn to date amount to £5,000.

An analysis of time expended on the case since the commencement of the liquidation to 24th February 2017, 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	13,807.03	13,639.70	167.33
*Statutory Advertising	6.00	6.00	0.00
*Meeting Room	16.67	0.00	16.67
Accountancy Fees	500.00	0.00	500.00
Courier Service	6.99	0.00	6.99
TOTAL	14,336.69	13,645.70	690.99

Please Note: The expense marked with a * were incurred in the previous reporting period but were not reported in the previous progress report. They are included in this report for completeness.

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 25th February 2016 to 24th February 2017, together with a cumulative account for the full period of the liquidation is at Appendix 1.

The account is self-explanatory.

Creditors' Rights to Request Further Information and to Challenge the Joint Liquidators Remuneration Pursuant to Rules 18.9 and 18.34 of the Insolvency Rules 2016 as Amended

Rule 18.9: Request for Further Information

(1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report or account under rule 18.14—

- (a) A secured creditor;
- (b) An unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
- (c) Members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
- (d) Any unsecured creditor with the permission of the court; or
- (e) Any member of the company in a members' voluntary winding up with the permission of the court.

(2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report or account by the person, or by the last of them in the case of an application by more than one member or creditor.

(3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by—

- (a) Providing all of the information requested;
- (b) Providing some of the information requested; or
- (c) Declining to provide the information requested.

(4) The office-holder may respond by providing only some of the information requested or decline to provide the information if—

- (a) The time or cost of preparation of the information would be excessive; or
- (b) Disclosure of the information would be prejudicial to the conduct of the proceedings;
- (c) Disclosure of the information might reasonably be expected to lead to violence against any person; or
- (d) The office-holder is subject to an obligation of confidentiality in relation to the information.

(5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.

(6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of—

- (a) The office-holder giving reasons for not providing all of the information requested; or

(b) The expiry of the 14 days within which an office-holder must respond to a request.

(7) The court may make such order as it thinks just on an application under paragraph (6).

Rule 18.34: Challenge the Joint Liquidators Remuneration

(1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that—

- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
- (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
- (c) the expenses incurred by the office-holder are in all the circumstances excessive.

(2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable—

- (a) a secured creditor,
- (b) an unsecured creditor with either—
 - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - (ii) the permission of the court, or

(c) in a members' voluntary winding up—

- (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
- (ii) a member of the company with the permission of the court.

(3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

Dated: 25th April 2017

Appendix 1

Carpet Centre (Wombwell) Limited – in Liquidation

Joint Liquidators Receipts and Payments Account

Carpet Centre (Wombwell) Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 25/02/2016 To 24/02/2017 £	From 25/02/2015 To 24/02/2017 £
ASSET REALISATIONS			
NIL	Short Leasehold	NIL	NIL
Uncertain	Plant & Machinery	NIL	NIL
NIL	Fixtures & Fittings	NIL	NIL
500.00	Motor Vehicles	NIL	500.00
30.00	Computer Equipment	NIL	30.00
4,000.00	Stock in Trade	NIL	15,955.44
3,435.00	Book Debts	NIL	4,619.96
NIL	Goodwill	NIL	NIL
	Utility Refund	39.73	1,726.73
	VAT Refund	NIL	NIL
10,900.00	Cash at Bank	NIL	12,414.90
	Bank Interest Gross	61.38	85.01
	Bank Interest Net of Tax	NIL	15.64
		<u>101.11</u>	<u>35,347.68</u>
COST OF REALISATIONS			
	Preparation of S. of A.	NIL	4,000.00
	Office Holders Fees	NIL	5,000.00
	Office Holders Expenses	NIL	146.83
	Agents/Valuers Fees (1)	NIL	6,819.00
	Agents/Valuers Fees (2)	NIL	477.33
	Corporation Tax	3.13	7.86
	Pension Agent	NIL	1,800.00
	Statutory Advertising	NIL	132.00
	Rents Payable	NIL	NIL
	Pre Liquidation Asset Sale Costs	NIL	1,500.00
	Post Liquidation Asset Sale Costs	NIL	2,595.64
	Insurance of Assets	NIL	174.90
		<u>(3.13)</u>	<u>(22,653.56)</u>
UNSECURED CREDITORS			
(43,928.33)	Trade & Expense Creditors	NIL	NIL
(26,555.00)	Employees	NIL	NIL
(73,016.00)	Director	NIL	NIL
(32,700.00)	Banks	NIL	NIL
(929.40)	H M Revenue & Customs (PAYE)	NIL	NIL
(20,000.00)	H M Revenue & Customs (VAT)	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
DISTRIBUTIONS			
(2,045.00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
(180,308.73)		<u>97.98</u>	<u>12,694.12</u>
REPRESENTED BY			
	Vat Receivable		455.47
	Bank 1 Current		12,238.65
			<u>12,694.12</u>

Appendix 2

Carpet Centre (Wombwell) Limited – in Liquidation

Joint Liquidators Time Analysis

A Creditors Guide to Liquidators Fees

Time Summary

CARPETC - Carpet Centre (Wombwell) Limited
All Post Appointment Project Codes
To: 24/02/2017

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	0.60	8.10	0.00	0.50	9.20	3,725.00	404.89
Closing Case	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.60	10.70	0.00	0.00	11.30	4,510.00	398.12
Dividends & Distributions	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.40	3.00	0.00	0.00	3.40	1,650.00	485.29
Realisation of Assets	0.20	6.10	0.00	0.10	6.40	2,535.00	396.09
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	1.80	27.90	0.00	0.60	30.30	12,420.00	409.90
Total Fees Claimed						5,000.00	
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.