

# LIQ14

## Notice of final account prior to dissolution in CVL



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 02645304

Company name in full Cloverford Limited T/A Clover Knitwear

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Mark Jonathan

Surname Botwood

### 3 Liquidator's address

Building name/number Regent House

Street Bath Avenue

Post town Wolverhampton

County/Region

Postcode WV14EG

Country

### 4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator  
Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number

Street

Post town

County/Region


Postcode

Country

② Other liquidator  
Use this section to tell us about  
another liquidator.

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<b>6</b>	<b>Liquidator's release</b>	
	<input type="checkbox"/> Tick if one or more creditors objected to liquidator's release.	
	:	
<b>7</b>	<b>Final account</b>	
	<input checked="" type="checkbox"/> I attach a copy of the final account.	
<b>8</b>	<b>Sign and date</b>	
Liquidator's signature	<div>Signature</div> <div>X  X</div>	
Signature date	<div>d2 d2</div> <div>08</div> <div>y2 y0 y2 y2</div>	

# LIQ14

## Notice of final account prior to dissolution in CVL



### 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 **Mark Jonathan Botwood**

Company name **Muras Baker Jones Ltd**

Address **Regent House**

**Bath Avenue**

Post town **Wolverhampton**

County/Region

Postcode **W V 1 4 E G**

Country

DX

Telephone **01902 393000**



### 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)

**Cloverford Limited T/A Clover Knitwear  
(In Liquidation)  
Liquidator's Abstract of Receipts & Payments  
From 6 May 2015 To 24 June 2022**

Statement of Affairs		£	£
	<b>ASSET REALISATIONS</b>		
NIL	Plant & Machinery	NIL	
NIL	Office Equipment	NIL	
500.00	Stock (Note 1)	1,000.00	
19,998.67	Debtor	5,817.47	
NIL	Shares & Investments	NIL	
	Tomlin Order - 11.01.21 - £63,000	63,000.06	
	Bank Interest Gross	8.54	
			69,826.07
	<b>COST OF REALISATIONS</b>		
	Insolvency Bond	271.20	
	Liquidators Remuneration	45,418.65	
	Agents Fees/Commission	799.80	
	General Legal Advice	22,800.00	
	Legal Disbursements	282.00	
	Corporation Tax	1.35	
	Postage	80.41	
	Irrecoverable VAT	0.02	
	London Gazette Advertising	172.64	
			(69,826.07)
	<b>PREFERENTIAL CREDITORS</b>		
(14,956.34)	Employees Holiday Pay	NIL	
			NIL
	<b>FLOATING CHARGE CREDITORS</b>		
(29,469.48)	Natwest Bank	NIL	
			NIL
	<b>UNSECURED CREDITORS</b>		
(341,454.28)	Trade & Expense Creditors	NIL	
(79,617.61)	Department of Employment	NIL	
(72,799.50)	Directors	NIL	
(15,100.00)	Landlord	NIL	
(8,445.01)	Inland Revenue PAYE	NIL	
(100.00)	Inland Revenue C Tax	NIL	
(3,830.08)	Revenue & Customs VAT	NIL	
(25,187.83)	Sardar Knitwear	NIL	
			NIL
	<b>DISTRIBUTIONS</b>		
(2.00)	Ordinary Shareholders	NIL	
			NIL
(570,463.46)			(0.00)
	<b>REPRESENTED BY</b>		
			NIL

**Cloverford Limited T/A Clover Knitwear  
(In Liquidation)  
Liquidator's Abstract of Receipts & Payments  
From 6 May 2015 To 24 June 2022**

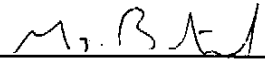
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**Statement  
of Affairs**  
£

£

£

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Mark Jonathan Botwood  
Liquidator

**Cloverford Limited T/A Clover Knitwear – In Creditors' Voluntary Liquidation**

**LIQUIDATORS' FINAL REPORT TO CREDITORS AND MEMBERS**

**For the period ending 24 June 2022.**

**EXECUTIVE SUMMARY**

I have now completed my administration of the Liquidation of Cloverford Limited T/A Clover Knitwear.

The company ceased to trade prior to the appointment of a Liquidator. The strategy on appointment was to maximize asset realisations and investigate transactions to any possible recovery claims.

Upon appointment two creditors made reservation of title claims over the remaining quantity of stock. Both were rejected and all remaining yarn stock was sold for £1,000.

Plant and machinery and office equipment were given an ex situ valuation of £400 and £130 respectively. However, the assets proved to be incomplete, with the value of scrap low and the added costs of removal to be incurred given all were located on an upper floor the advice received to abandon items was agreed and taken.

I and my staff have undertaken outstanding debt collections. Only one partial debt has been recovered for £5,817. With both outstanding debtors ceasing to trade and insolvent.

Comprehensive Investigations had been undertaken identifying an alleged preferential and wrongful trading claim against the Directors. However following negotiations a tomlin order was agreed placing a stay on legal action. The Directors paid £63,000 in full and final settlement of claims over the period of a year.

I have not been able to declare a dividend to any class of creditors as the funds realised have been used to meet the expenses of the Liquidation.

**STATUTORY INFORMATION**

Company name:	Cloverford Limited T/A Clover Knitwear
Registered office:	Muras Baker Jones, 3rd Floor Regent House, Bath Avenue, Wolverhampton, WV1 4EG
Former registered office:	Clipper House, Frederick Street, Wolverhampton, WV2 4DU
Registered number:	02645304
Liquidator's name:	Mark Jonathan Botwood
Liquidator's address:	Muras Baker Jones Limited, 3 <sup>rd</sup> Floor Regent House, Bath Avenue, Wolverhampton, WV1 4EG
Liquidator's date of appointment:	6 May 2015

## **LIQUIDATORS' ACTIONS SINCE APPOINTMENT**

The company had ceased to trade at the end of December 2014 prior to entering Liquidation on the 6 May 2015. The strategy on appointment was to maximize asset realisations and investigate transactions to any possible recovery claims.

At the section 98 creditors meeting a major creditor raised various concerns regarding the trading of the company, alleging it may have traded whilst insolvent prior to liquidation and also questioning the relationship of a related party loan.

Investigations initially focused on these areas of concern along with a significant level of transactional review work. Legal advice was then sought to establish the likelihood of a successful legal action against the directors of the company for the benefit of the liquidation.

Cerberus Asset Management was instructed on my appointment to undertake a valuation of the company's Plant & Machinery, Office Equipment and Stock.

Initial valuations that were higher than those listed on the statement of affairs and proved to be unrealisable. Following an inspection with a prospective purchaser it became apparent that the plant and machinery and office equipment that had been given a valuation of £530 was actually incomplete and unsaleable.

The agent reassessed the situation and advised abandoning the items on site due to the low value of scrap and the associated costs to remove the items from the premises. All items had been located on an upper floor and various parking restrictions were in place surrounding the premises.

A valuation of £1,800 was initially given to stock. However two reservation of title claims were received from the two main company suppliers. An onsite visit from both creditors identified potentially all remaining stock subject to reservation of title claims. Protracted communication followed with the two parties and legal advice was sought regarding the terms and conditions that both creditor sought to rely upon. However both reservation of title claims were ultimately rejected due to the inability of each creditor to specifically match the stock remaining to original outstanding invoices.

Towards the end of 2015 the stock attracted a potential purchaser, however rodent and storage damage resulted in an offer of £1,000 accepted. The offer proved to be lower than the original stock valuation however greater than the £500 valuation given by the directors for the purpose of the statement of affairs.

I and my staff have undertaken outstanding debt collections. One debt for £6,551 was irrecoverable and due from Cloverford (UK) limited a company with common Directors and shareholders that was also insolvent. An application for voluntary strike off of that company had been filed at companies house on the 25 April 2016 and Cloverford (UK) Ltd subsequently dissolved on the 19 July 2016.

The remaining debtor balance of £19,998.67 had been disputed. A partial £5,817.47 repayment was received in September 2015. The remaining balance of £14,181.20 was passed to Solicitors who commenced legal action. However we became aware that the company had changed its name and entered Creditors Voluntary Liquidation on the 7 December 2017 with no prospect of a dividend distribution to creditors. The debt was therefore uncollectable.

Several former employees raised queries regarding their former employment within the company. In addition a legal claim against the company for loss of hearing was also received. My staff undertook the necessary investigations into the company records in attempt to provide responses.

In July 2016 I received a claim from the redundancy payments office totalling £73,037.21 of which £7,113.46 was considered to be preferential. The total claim was lower than the total employee liability estimated as outstanding per the statement of affairs at the date of liquidation which was stated at £94,573.95.

A meeting was held with FBC Manby Bowdler Solicitors to receive prima facie legal advice on a number of potential legal actions to be commenced for the benefit of the estate given the evidence identified to date. Further investigation work was undertaken.

Within my 2017 annual progress report I sought creditor's willingness to provide funding support in order to advance legal actions with a deadline for responses set as at the 31 July 2017. Further details would then have been provided upon any expression of support in order to finalise funding commitments. However the deadline passed with no response received from any creditors.

The commencement of legal action was therefore held in abeyance due to the lack of funds available in the case.

A second request for creditors to notify me of their interest and willingness to provide funding support in order to advance legal action was made within the 2018 annual progress report. The deadline of the 31 August 2018 passed again without a response from a creditor.

Following detailed investigations and legal advice I instructed solicitors to advance alleged claims against the directors of the company in respect of a preferential payment and wrongful trading. My Solicitors issued a detailed letter of claim against Directors to which a response was subsequently received from solicitors acting on behalf of the directors of the company. The response disputed the claims and sought various explanations and supporting documentation to evidence the allegations and claims made.

I proceeded to undertake a comprehensive review of the case files and the detailed investigations undertaken to date in order to provide a complete response back to the Directors solicitors regarding the numerous points raised in response.

With the assistance of my solicitors a detailed letter of response was issued with a range of enclosures that supported and evidenced the claim in an attempt to conclude the matter and minimise any further protracted correspondence between the two parties.

In March 2020 the outbreak of the global pandemic Covid-19 and restrictions had a detrimental effect on communication with all stakeholders resulting in a delay in negotiations.

However a response from the Directors solicitors was received in June 2020 with numerous counter allegations and queries.

A substantive letter of response addressing the Directors points was issued at the beginning of July 2020. The letter also set out the basis of both the alleged preferential and wrongful trading claim and included a draft application notice to court and witness statement.

Whilst correspondence had been entered into by both parties to conclude the matter, being aware of the requirements of the Civil Procedure Rules for parties to seek to settle their disputes, a Part 36 offer of settlement at £67,000 was issued at the same time to the Directors.

A letter in response was swiftly received from the director seeking the disclosure of the asset valuation report.

On the 27 September 2020 the claim was formally issued at court.

To allow a copy of the asset valuation report to be released it proved necessary for the directors to sign a letter agreeing to a number of conditions set by Cerberus Asset Management who had produced the valuation report for the purposes of the Liquidation. After a number of requests, the directors signed agreement was received in November 2021.

On the 9 November 2021 the application notice, draft order and witness statement in support of the claims were formally served on both Directors confirming a court hearing was set to take place via BTMeetMe on the 11 January 2021.

The Directors provided a substantive response with further counter allegations at the end of November 2021 along with a separate without prejudice offer of £15,000 in full and final settlement in an attempt to conclude the matter.

Solicitors provided a further written response to the Directors counter allegations late December 2020 ahead of the Christmas holidays. Along with a separate letter rejecting the offer of £15,000 in settlement that was considered to be significantly undervalued.

On the 8<sup>th</sup> January 2021 following a family tragedy a representative for the Directors made contact with my solicitors and sought to agree a settlement offer of £35,000 providing a list of both the Directors assets and liabilities. Additional evidence was sought in respect of the information provided and negotiations ensued.

An agreement was reached and a Tomlin Order signed by all parties on the 11 January 2021 in full and final settlement of the dispute with the directors to pay total funds of £63,000 in to the liquidation. A stay was placed on court proceedings with a repayment basis of £18,000 to be received by the 15 January 2021, £15,000 by the 1 February 2021 and the remaining £30,000 to be received by 11 equal monthly instalments of £2,727.28 beginning on 26 February 2021 and ending on the 26 December 2021. The tomilin order was successfully completed.

With all known assets realised in the Liquidation final bills were raised and paid. A letter was issued to, HMRC informing them of my intention to proceed to close the Liquidation and no objection received.

#### **Period from the 6 May 2022 – 24 June 2022**

The annual progress report for the year ending 5 May 2022 was compiled and uploaded to creditors and companies house. A Nil Corporation Tax return for the year ending 5 May 2022 was filed. Remaining residual funds were drawn with the final report on liquidation completed.

There is certain work that I am required by the insolvency legislation to undertake in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since the last progress report is contained in Appendix 1.

#### **RECEIPTS AND PAYMENTS ACCOUNT**

My Receipts & Payments Account for the period from 6 May 2015 to 24 June 2022 and for the period since 6 May 2022 is attached at Appendix 2. All amounts are shown net of VAT. I have reconciled the account against the financial records that I am required to maintain.

#### **ASSET REALISATIONS**

Upon appointment I had instructed Cerberus Asset Management an independent firm of RICS qualified valuers who confirmed that they held Professional Indemnity Insurance to attend the site and undertake a valuation of the remaining assets and stock.

The assets were sold for £1,000. An outline of the different types of asset sold and the amount for which they were sold, together with a comparison against the valuation realised is below.

Asset category	Valuation basis & amount (£)			Sale Consideration
	Market Value in Situ	Market Value Ex Situ	Statement of Affairs Estimated to realise Valuation	£
<u>Floating charge assets</u>				
Stock	9,000.00	1,800.00	500.00	1,000.00
Plant & machinery	400.00	400.00	Nil	Nil
Office equipment	380.00	130.00	Nil	Nil
<b>Total</b>	<b>9,780.00</b>	<b>1,800.00</b>	<b>500.00</b>	<b>1,000.00</b>

#### Plant & Machinery and Office Equipment

Plant and machinery and office equipment had book values of £663 and £157 respectively allowing for depreciation. As reported previously, the Directors considered the items were old and held no realisable value per the statement of affairs.

Cerberus Asset Management had initially given an ex situ valuation of £400 attributable to Plant and Machinery and £130 for Office Equipment.

However after instructing the agent to proceed to sell the items it became apparent following an interested party attendance to site to view the items, that several machines were incomplete and not in working order.

The agent reassessed the situation and advised abandoning the items on site due to the low value of scrap and the associated costs to remove the items from the premises. All items had been located on an upper floor and various parking restrictions were in place surrounding the premises.

The advice was agreed, and all such assets were abandoned with no realisations achieved in respect of Plant and Machinery and Office Equipment.

Cerberus Asset Management also undertook a review of the company's disposal of several items of machinery sold to a related party in September 2014 prior to the company ceasing to trade. Confirmation was received that none of the assets were sold at an-undervalue.

#### Stock

Stock had been given an estimated to realise value of £500 by the directors for the statement of affairs. Cerberus Asset Management gave an ex situ valuation of £1,800 attributable to the stock.

Two separate creditors lodged reservation of title claims over items of stock that had been supplied by them. After attendance by both creditors on site and various correspondence back and forth both claims were ultimately rejected.

The stock was sold to an independent third party for £1,000 Plus VAT. The realisation was lower than anticipated by the agents as they had provided a valuation of stock based upon the stock being clean and ready to use. The stock was in fact rodent damaged and the offer accepted allowed for the damage, transportation costs and the labour intensive sorting costs that would be required for any purchaser.

### Debtors

Trade debtors totalled £26,549.26 of which only £19,998.67 was considered collectable. The difference of £6,551.29 was due from Cloverford (UK) Limited a company with common Directors and shareholders that was also insolvent. An application for voluntary strike off of that company had been filed at companies house on the 25 April 2016 and Cloverford (UK) Ltd subsequently dissolved on the 19 July 2016.

The remaining balance of £19,998.67 was partially repaid with a receipt of funds totalling £5,817.47 received in September 2015.

The remaining balance of £14,181.20 was passed to Solicitors who commenced legal action. However we became aware that the company had changed its name and entered Creditors Voluntary Liquidation on the 7 December 2017 with no prospect of a dividend distribution to creditors. The debt was therefore uncollectable.

### Shares and Investments

The company held investments in a portfolio managed by EFG Harris Allday with a book value in the accounts at the date of Liquidation totalling £45,802. At the date of Liquidation the directors considered the investments held no value. Investigations confirmed that the investments held no value.

### Gross Interest received

Bank Interest is received gross and totals £8.54 of which none was received in the period since the 6 May 2022.

### Other Assets

At the section 98 meeting creditors raised concerns regarding both stock and trading when insolvent and the repayment of the related party loan. Creditors concerns have been investigated.

### Tomlin Order 11 January 2021

As referred to in detail previously, following comprehensive investigations an alleged preferential claim and wrongful trading claim against the former directors was identified and evidenced. An application to court, draft order and witness statement were compiled and filed at court with a hearing date set for the 11 January 2021.

Following negotiations an agreement was reached and a Tomlin Order signed by all parties on the 11 January 2021 in full and final settlement of the dispute with the directors to pay total funds of £63,000 in to the liquidation.

The basis of payment being £18,000 to be received by the 15 January 2021, £15,000 by the 1 February 2021 and the remaining £30,000 to be received by 11 equal monthly instalments of £2,727.28 beginning on 26 February 2021 and ending on the 26 December 2021.

The tomlin order completed successfully.

## INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, and the funds likely to be available to fund an investigation, and the costs involved. I am required by the Statements of Insolvency Practice to undertake such an initial investigation and the work detailed below has been undertaken in connection with that initial investigation.

Specifically, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the 9 months prior to the Company ceasing to trade from the Company's bankers; obtained historic share valuations and compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the liquidation and made enquiries about the reasons for the changes.

In particular, concerns raised by creditors were influential when forming the basis of investigations.

### Stock acquired and orders accepted at a time the company was trading insolvent

Detailed investigations were undertaken to establish whether the company had been trading insolvent and whether a claim for wrongful trading could be brought against the directors of the company. A significant amount of transactional review work was undertaken to determine the point of the company's insolvency. Evidence obtained was discussed and finalised with solicitors ahead of commencing proposed legal action.

The same creditor had also raised concerns regarding a significant quantity of their stock identified at a site visit around the time the company ceased trading. However the stock had subsequently been sold to a third party prior to liquidation without ever being paid for. Investigations were initiated regarding the matter however a lack of supporting information to the allegation resulted in no further action taken regarding the specific point raised.

### The nature and repayment terms of the related party loan with Sardar Knitwear

In addition to the above, detailed transactional reviews were undertaken and the directors questioned in relation to the concerns raised by creditors as to the nature and the repayment terms of a connected party loan. The bill alleged to support a repayment of £45,000 shortly prior to the company ceasing to trade was never identified. No formal written agreement had ever appeared to exist. Further detailed transactional reviews appeared to support a preferential payment claim to be brought against the directors of the company.

Both the wrongful trading and preferential payment claims were disputed by directors with various elements questioned. As referred to above, a comprehensive review of case files and evidence was undertaken and provided during negotiations in response to the various counter claims and questions raised.

As referred to above court action was stayed pending the successful completion of the agreed Tomlin Order between the parties signed on the 11 January 2021. The Tomlin order was successfully completed at the end of 2021 avoiding the additional risks and costs associated with court attendance.

Two requests and deadlines were made to creditors during the course of the Liquidation seeking notification of their interest and willingness to provide funding support in order to advance legal actions. Both deadlines set for the 6 July 2017 and 31 August 2018 passed without a response from a creditor.

Within six months of my appointment as Liquidator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company. I would confirm that my report has been submitted

## PRE-APPOINTMENT FEES

The creditors previously authorised the payment of a fee of £3,000 plus VAT to be paid to Garratts Wolverhampton Limited, the company accountants for the preparation of the Statement of Affairs. In addition the creditors also previously authorised the payment of a fee of £2,500 plus VAT to be paid to Muras Baker Jones Limited for my assistance with preparing the statement of affairs and convening and holding the meeting of creditors on the 6 May 2016. The fees are unpaid as insufficient realisations have been made to allow settlement.

## LIQUIDATORS REMUNERATION

My remuneration was approved by the creditors on 6 May 2015 on a time cost basis. My total time costs amount to £74,248, representing 417.20 hours of work at an average charge out rate of £177.97 per hour, of which £2,698, representing 14.2 hours of work, was charged in the period since 5 May 2022, at an average charge out rate of £190.00 per hour.

A summary of the hours and charging out rates are shown below.

	Hours	Hourly Rate
Director	58.00	£340-£212
Senior Staff	359.20	£190-£105

I have drawn remuneration of £45,418.65, of which residual funds of 7 pence was drawn in the period since 5 May 2022.

A detailed schedule of my total time costs and since 5 May 2022 is attached as Appendix 3.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>.

A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3, is available at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/liquidation-a-guide-for-creditors-on-insolvency-practitioner-fees/>

Please note that there are different versions of the Guidance Notes and in this case you should refer to the November 2011 version. Please note that further details are also included in the practice fee recovery sheet. An up to date Muras Baker Jones Ltd's fee policy schedule is attached.

## LIQUIDATORS EXPENSES

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Expenses are split into:

- category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
- category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an office holder's remuneration.

### Category 1 expenses

I have incurred category 1 expenses of 2 pence since the last progress report attributable to irrecoverable VAT on residual fees drawn:

Nature of category 1 expense	Amount incurred/ accrued to date £	Amount Outstanding £
<b>Pre – Appoint Fees:-</b>		
Statement of Affairs Fee – Garratts Wolverhampton Limited	3,000.00	3,000.00
Convening meeting of creditors and assistance with Statement of Affairs	2,500.00	2,500.00
<b>Total Pre Appointment Fees</b>	<b>5,500.00</b>	<b>5,500.00</b>
<b>Agents Fee - Assets</b>	<b>£799.80</b>	<b>£ Nil</b>
Corporation Tax	£1.35	£Nil
Insolvency Bond	£271.20	£Nil
London Gazette Advertising	£172.64	£Nil
Postage	£80.41	£Nil
Irrecoverable VAT	£0.02	£Nil
<b>Total Post Appointment Costs</b>	<b>£1,325.42</b>	<b>£Nil</b>

I have paid category 1 expenses totalling £1,325.42 to date, of which 2 pence was paid during the period from the 6 May 2022 to 24 June 2022, as indicated in the attached receipts and payments account.

The remaining expenses as referred to above will be written off due to a lack of funds available in the liquidation.

I have used the following professional advisors to date:

Professional Advisor	Nature of Work	Basis of Fees
FBC Manby Bowdler LLP	Solicitors	Time Costs

FBC Manby Bowdler LLP Solicitors have provided legal advice and assistance prior to the 1 April 2021 in concluding claims against the former Directors of the company. They drafted the necessary application to court and accompanying witness statement prior to assisting in negotiations and reaching a settlement via way of a subsequent Tomlin Order they prepared.

FBC Manby Bowdler LLP ("the firm") is an independent firm of solicitors. In accordance with statement Insolvency number 9 the firm is regarded as an associate due to a long term and mutual client relationship with Muras Baker Jones Limited.

The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I also confirmed that they hold appropriate regulatory authorisations. I have reviewed the fees they have charged and am satisfied that they are reasonable in the circumstances of this case.

#### Category 2 expenses

Since the 1 April 2021 I am required to seek approval before I can pay any expenses to associates, or pay expenses where there is an element of shared costs, which are known as category 2 expenses.

However I incurred the following category 2 expenses prior to the 1 April 2021.

Type of category 2 expense	Amount incurred/ accrued to date (All incurred prior to 1 April 2021)	Amount Outstanding £
General Legal Fees	£29,651.00	£6,851.00
Legal Disbursements	£282.00	£ Nil
Photocopying	£23.18	£23.18
<b>Total</b>	<b>£29,956.18</b>	<b>£6,874.18</b>

I have paid category 2 expenses totalling £23,082, of which none has been paid during the period from the 6 May 2022 to 24 June 2022, as indicated in the attached receipts and payments account.

The remaining outstanding balance of category 2 expenses totalling £6,874.18 will be written off due to a lack of funds available in the liquidation.

## LIABILITIES

### Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed a charge being a debenture created on the 13 September 1994 to Natwest Bank Plc. Natwest Bank Plc submitted a claim in the Liquidation in May 2015 for £28,391.27 that has not been agreed.

The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case the floating charge was created prior to 15 September 2003 such that the prescribed part provisions do not apply.

### Preferential Creditors

The statement of affairs anticipated £14,956.34 in preferential creditors. A total claim of £73,037.21 has been received from the redundancy payments office of which £7,113.46 is considered to be preferential. The claim has not been agreed.

### Crown Creditors

The statement of affairs included £12,375.09 owed to HMRC. HMRC's interim claim of £28,533.97 had been received. The claim has not been agreed.

### Non-preferential unsecured Creditors

The statement of affairs included a further 22 non-preferential unsecured creditors with an estimated total liability of £549,115.56. An additional 5 unsecured creditors were then identified during the Liquidation resulting in potentially 27 unsecured creditors. I have received claims from 8 creditors at a total of £339,000.28 with a further 4 creditor claims from former employees of the company totalling £17,119.02. I have not received claims from 15 potential creditors with original estimated claims in the statement of affairs of £185,362.34. The claims have not been agreed.

## DIVIDEND PROSPECTS

A dividend has not been declared to any class of creditor as funds realised have been used to make payments to meet the expenses of the Liquidation

## **FURTHER INFORMATION**

An unsecured creditor may, with the permission of the Court, or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Liquidators' remuneration and expenses within 21 days of their receipt of this report. Any secured creditor may request the same details in the same time limit.

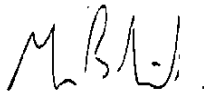
An unsecured creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Joint Liquidators as being excessive, and/or the basis of the Liquidators' remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about Muras Baker Jones Ltd can be found at <https://muras.co.uk/wp-content/uploads/2021/08/information-requirement-of-the-provision-of-services-regulations-2009-2.pdf>

## **SUMMARY**

The winding up of the Company is now for all practical purposes complete and I am seeking the release of myself as Liquidator of the Company. Creditors and members should note that provided no objections to my release are received I shall obtain my release as Liquidator following the delivery of the final notice to the Registrar of Companies, following which our case files will be placed in storage.

If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Adrian Simcox by email at [adrian.simcox@muras.co.uk](mailto:adrian.simcox@muras.co.uk), or by phone on 01902 393000 before our release.



**Mark Jonathan Botwood**  
**LIQUIDATOR**

Mark Botwood is licenced to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England & Wales.

## **Appendix 1 Details of Work undertaken to date**

### **Administration**

This represents the work involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder. It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that an office holder must follow.

Case planning – Maintaining an appropriate strategy for dealing with the case and giving instructions to staff to undertake the work on the case.

Dealing with all routine correspondence and emails relating to the case.

Maintaining and managing the estate bank account.

Maintaining and managing a cashbook.

Undertaking regular bank reconciliations of the estate bank account.

Reviewing the adequacy of the specific penalty bond on a quarterly basis.

Preparing, reviewing and issuing annual progress reports to creditors and members.

Filing returns at Companies House.

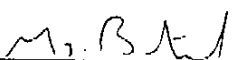
Preparing and filing Corporation Tax returns.

Preparing, reviewing and issuing a final account of the liquidation to creditors and members.

Filing a final return at Companies House.

**Cloverford Limited T/A Clover Knitwear  
(In Liquidation)  
Liquidator's Summary of Receipts & Payments**

Statement of Affairs £	From 06/05/2022 To 24/06/2022 £	From 06/05/2015 To 24/06/2022 £
	<b>ASSET REALISATIONS</b>	
	Bank Interest Gross	NIL 8.54
19,998.67	Debtor	NIL 5,817.47
NIL	Office Equipment	NIL
NIL	Plant & Machinery	NIL
NIL	Shares & Investments	NIL
500.00	Stock (Note 1)	NIL 1,000.00
	Tomlin Order - 11.01.21 - £63,000	NIL 63,000.06
		NIL 69,826.07
	<b>COST OF REALISATIONS</b>	
	Agents Fees/Commission	NIL 799.80
	Corporation Tax	NIL 1.35
	General Legal Advice	NIL 22,800.00
	Insolvency Bond	NIL 271.20
	Irrecoverable VAT	0.02 0.02
	Legal Disbursements	NIL 282.00
	Liquidators Remuneration	0.07 45,418.65
	London Gazette Advertising	NIL 172.64
	Postage	NIL 80.41
		(0.09) (69,826.07)
	<b>PREFERENTIAL CREDITORS</b>	
(14,956.34)	Employees Holiday Pay	NIL
		NIL
	<b>FLOATING CHARGE CREDITORS</b>	
(29,469.48)	Natwest Bank	NIL
		NIL
	<b>UNSECURED CREDITORS</b>	
(79,617.61)	Department of Employment	NIL
(72,799.50)	Directors	NIL
(100.00)	Inland Revenue C Tax	NIL
(8,445.01)	Inland Revenue PAYE	NIL
(15,100.00)	Landlord	NIL
(3,830.08)	Revenue & Customs VAT	NIL
(25,187.83)	Sardar Knitwear	NIL
(341,454.28)	Trade & Expense Creditors	NIL
		NIL
	<b>DISTRIBUTIONS</b>	
(2.00)	Ordinary Shareholders	NIL
		NIL
(570,463.46)		(0.09) (0.00)
	<b>REPRESENTED BY</b>	
		NIL

  
Mark Jonathan Botwood  
Liquidator

Cloverford Limited T/A Clover Knitwear in CVL time analysis as at 24 June 2022

Classification of Work Functions	HOURS RECORDED			Total Hours	Time Costs	Average hourly rate (£)
	Director	Senior Staff	Support Staff			
Administration & Planning	7.40	167.90		175.30	30,076.10	171.57
Investigations	38.80	113.60		152.40	28,871.50	189.45
Realisation of Assets	11.00	56.20		67.20	12,132.90	180.55
Creditors	0.80	21.50		22.30	3,167.50	142.04
Total Hours	58.00	359.20	0.00	417.20		
Total Fees Claimed (£)					74,248.00	177.97

Cloverford Limited T/A Clover Knitwear in CVL time analysis for the period from the 6 May 2022 to 24 June 2022

Classification of Work Functions	HOURS RECORDED			Total Hours	Time Costs	Average hourly rate (£)
	Director	Senior Staff	Support Staff			
Administration & Planning		14.20		14.20	2,698.00	190.00
Total Hours	0.00	14.20	0.00	14.20		
Total Fees Claimed (£)					2,698.00	190.00

## Notice of Final Account

### Cloverford Limited T/A Clover Knitwear ("the Company") – In Creditors' Voluntary Liquidation

**NOTICE IS GIVEN** by Mark Jonathan Botwood to the creditors of the Company under rule 6.28 of The Insolvency (England and Wales) Rules 2016 and section 106 of The Insolvency Act 1986, that the company's affairs have been fully wound up.

1. Creditors have the right under rule 18.9 of The Insolvency (England and Wales) Rules 2016 to request further details of the Liquidator's remuneration and expenses. That request must be made to the Liquidator within 21 days of receipt of the final account, and with either the permission of the Court, or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question). Secured creditors may also request further details.
2. Creditors have the right under rule 18.34 of The Insolvency (England and Wales) Rules 2016 to apply to Court to challenge the amount and/or basis of the Liquidator's fees, and/or the amount of any expenses incurred. That application must be made within 8 weeks of receipt of the final account, and with either the permission of the Court, or with the concurrence of 10% in value of the creditors (including the creditor in question). Secured creditors may also make an application.
3. Creditors may object to the release of the Liquidator by giving notice in writing to the Liquidator at the address given below before the end of the prescribed period. The prescribed period will end at the later of: 8 weeks after delivery of this notice; or, if any request for information regarding the Liquidator's remuneration and/or expenses is made under rule 18.9, or if any application is made to Court to challenge the Liquidator's fees and/or expenses under rules 18.34 or 18.35, when that request or application is finally determined.
4. The Liquidator will vacate office under section 171 of the Insolvency Act 1986 when, upon expiry of the prescribed period that creditors have to object to his release, they deliver to the Registrar of Companies the final account and a notice saying whether any creditor has objected to his release.
5. The Liquidator will be released under section 173 of the Insolvency Act 1986 at the same time as vacating office, unless any creditors objected to his release.

Creditors requiring further information regarding the above, should either contact me at Regent House, Bath Avenue, Wolverhampton, WV1 4EG, or contact Adrian Simcox by telephone on 01902 393000, or by email at [adrian.simcox@muras.co.uk](mailto:adrian.simcox@muras.co.uk).

DATED THIS 24TH DAY OF JUNE 2022



**Mark Jonathan Botwood**  
Liquidator

**Notice about final dividend position**

**Cloverford Limited T/A Clover Knitwear ("the Company") – In Creditors' Voluntary Liquidation**

**Company Registration Number: 02645304**

Notice is given under rule 14.36 of The Insolvency (England and Wales) Rules 2016, by Mark Jonathan Botwood, the Liquidator, to the creditors of Cloverford Limited T/A Clover Knitwear, that no dividend will be declared to either preferential or unsecured creditors.

A dividend will not be declared to creditors as the funds realised have been used to make payments to meet the expenses of the Liquidation.

Creditors requiring further information regarding the above, should either contact me at Regent House, Bath Avenue, Wolverhampton, WV1 4EG, or contact Adrian Simcox by telephone on 01902 393000, or by email at [adrian.simcox@muras.co.uk](mailto:adrian.simcox@muras.co.uk).

DATED THIS 24TH DAY OF JUNE 2022



**Mark Jonathan Botwood**  
**Liquidator**

## **MURAS BAKER JONES LIMIED**

### **PRACTICE FEE RECOVERY POLICY**

#### **Introduction**

This sheet explains the alternative fee bases allowed by the insolvency legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court. The report accompanying the request to fix the basis of remuneration will indicate the basis, or bases, being requested in that particular case and will make it clear what work is to be undertaken in respect of each basis.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) "Payments to Insolvency Office Holders and their Associates from an Estate" and can be accessed at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/guide-to-liquidators-fees/>

Alternatively, a hard copy may be requested from Muras Baker Jones Limited, Regent House, Bath Avenue, Wolverhampton, WV1 4EG. Please note that we have provided further details in this policy document.

SIP 9 also contains various requirements that the office holder has to comply with in connection with their remuneration, both when seeking approval and when reporting to creditors and other interested parties after approval. One of the matters that an office holder has to comply with is that they must also seek approval for any payments that could reasonably be perceived as representing a threat to the office holder's objectivity or independence by virtue of a professional or personal relationship, including to an associate. Where it is anticipated that such payments will be made in a case they will be separately identified when seeking approval for the basis of the office holder's remuneration.

Other than in respect of Voluntary Arrangements an office holder is required to record the time spent on casework in all cases, even if they are being remunerated for that work on a basis other than time costs. Time is recorded directly to the relevant case and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:-

- Case Administration (including statutory reporting).
- Realisation of Assets.
- Investigations.
- Creditors (claims and distributions).
- Trading
- Case specific matters.

#### **Time cost basis**

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

### Charge out Rates

Grade of staff	Current charge-out rate per hour, effective from 1 July 2021 £	Previous charge-out rate per hour, effective from 1 July 2020 to 30 June 2021 £
Director – appointment taker	340	340
Case Administrator	190	190
Support Staff	36	36

Where necessary and appropriate, members of staff from other departments of the practice will undertake work on a case. They will be charged at their normal charge out rates for undertaking such work, as follows:-

Grade of staff	Current charge-out rate per hour, effective from 1 July 2021 £	Previous charge-out rate per hour, effective from 1 July 2020 to 30 June 2021 £
Tax Director	313	298
Assistant tax manager	133	127
Corporate Services Manager	132	126
Payroll assistant	59	57

In cases where these staff undertake work, specific approval will be sought for the payment of the fees incurred.

These charge-out rates charged are reviewed on 1 July each year and are adjusted to take account of inflation and the firm's overheads.

When we seek time costs approval, we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate, and by reference to each separate category of work. The blended rate is calculated as the prospective average cost per hour, based upon the estimated time to be expended by each grade of staff at their specific charge out rate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

A report accompanying the request to fix the basis of remuneration will include the fees estimate, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate, and by reference to each separate category of work, and will also say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

## **Percentage basis**

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. A report accompanying the request to fix the basis of remuneration will set out the potential assets in the case, the remuneration percentage proposed in respect of any realisations and the work covered by that remuneration, which may solely relate to work undertaken in connection with the realisation of the assets, but might also include other categories of work as listed above. The report will also include details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

A percentage of distributions made to unsecured creditors may also be requested, in order to cover the work associated with the agreement of claims and making the distribution.

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 it will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

## **Fixed fee**

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. A report accompanying the request to fix the basis of remuneration will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 we will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

## **Direct Costs**

Where we seek approval on a percentage and/or fixed fee basis, in order to meet the requirements of SIP 9 we also have to disclose the direct costs that are included within the remuneration that will be charged on those bases in respect of the work undertaken. The direct costs that will be included in respect of work undertaken in respect of each of the standard categories of work listed below where the office holder is to be remunerated for such work on either a percentage or fixed fee basis are all costs incurred in administering the estate apart from those expenses charged to the estate as Category 1 expenses and category 2 expenses.

- Case Administration (including statutory reporting)
- Realisation of Assets
- Investigations
- Creditors (claims and distributions)

## **Mixed basis**

If remuneration is to be sought on a mixed basis, we will make it clear in the report accompanying the request to fix the basis of remuneration which basis will be charged for each category of work that is to be undertaken on the case.

## **Members' voluntary liquidations and Voluntary Arrangements**

The legislation is different for members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) and Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee, and SIP 9 does not apply unless the members specifically request it. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

## **All fee bases**

With the exception of IVAs and CVAs, which are usually VAT exempt, the office holder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

## **Expenses**

As already indicated, a report will accompany the request to fix the basis of remuneration and that will include details of expenses to be incurred, or likely to be incurred. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Expenses are any payments from the insolvent estate that are neither an office holder's remuneration nor a distribution to a creditor, or a member. Expenses also include disbursements. Disbursements are payments that are first paid by the office holder and then reimbursed from the insolvent estate. Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do (Category 2).

Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder. They can be paid by the office holder without obtaining prior approval. Examples of costs that may amount to Category 1 expenses are professional advisors (who are not associates), statutory advertising, external meeting room hire (where the room is only hired for that meeting), external storage, specific penalty bond insurance, insolvency case management software fees charged on a per case basis, and Company search fees.

Category 2 expenses are either payments to associates, or payments in respect of expenses that have an element of shared costs, such as photocopying and mileage. Category 2 expenses require approval in the same manner as an office holder's remuneration before they can be paid.

The practice intends to seek approval to recover the following Category 2 expenses that include an element of shared costs:-

Mileage	45p per mile
Photocopying	7.5p per sheet

Professional advisors may be instructed to assist the office holder on the case where they consider that such assistance is necessary to enable them to appropriately administer the case. The fees charged by any professional advisors used will be recharged at cost to the case. Where the professional advisor is not an associate of the office holder it will be for the office holder to agree the basis of their fees. Where the professional advisor is an associate of the office holder it will be for those responsible for fixing the basis of the office holder's remuneration to approve payments to them. The fees of any professional advisors are subject to the rights of creditors to seek further information about them or challenge them as summarised below. Professional advisors that may be instructed on a case include:-

- Solicitors/Legal Advisors;
- Auctioneers/Valuers;
- Accountants;
- Quantity Surveyors;
- Estate Agents;
- Pension specialists;
- Employment Claims specialists; and
- GDPR/Cyber Security specialists.

Where FBC Manby Bowdler Solicitors LLP are instructed by the office holder as a professional advisor to assist in administering a case they will be regarded as an associate. The firm and some of its partners are clients of the office holders practice for accountancy and taxation services, and have a long term professional relationship with the office holder and the office holders practice in providing legal advice on insolvency matters, and legal advice to clients of the practice. The firm is independent of the office holders practice. Their fees will be on a time costs basis with reference to their normal charge out rates.

Their current charge out rates are as follows:-

Grade of staff	Current charge-out rate per hour, effective from 1 April 2022	Previous charge-out rate per hour, effective from 1 April 2021 to 31 March 2022
	£	£
Partners	295	280
Senior Associate	270	260
Associate/Team leader	260	250
Senior Solicitor	250	245
Senior Solicitor & Legal Exec	245	235
Solicitor/Legal Exec band 2	220	215
Solicitor/Legal Exec band1	210	195
Paralegal/Trainee	160	155
Cost Drafting	160	155
Support staff	115	115

### Reporting and rights to challenge

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration charged by the office holder in the period covered by the report, i.e., the amount that the office holder is entitled to draw, together with the amount of remuneration actually drawn. If approval has been obtained for remuneration on a time costs basis, the time costs incurred will also be disclosed, whether drawn or not, together with the "blended" rates of such costs. The report will also compare the actual time costs incurred with those included in the fees estimate prepared when fixing

the basis of the remuneration, and indicate whether the fees estimate is likely to be exceeded. If the fees estimate has been exceeded, or is likely to be exceeded, the report will explain why that is the case.

The report will also provide information about expenses incurred in the period covered by the report, together with those actually paid, together with a comparison with the estimated expenses. If the expenses incurred, or anticipated to be incurred, have exceeded the estimate provided the report will explain why that is the case.

Under the insolvency legislation the report must also include a statement of the legislative rights of creditors to request further information about the remuneration charged and expenses incurred in the period covered by the report, or to challenge them on the grounds that they are excessive. Extracts of the relevant insolvency rules dealing with these rights are set out below. Once the time period to seek further information about the office holder's remuneration and/or expenses for the period covered by the report has elapsed, then a Court Order is required to compel the office holder to provide further information about the remuneration and expenses. A Court order is required to challenge the office holder's remuneration and/or expenses for the period covered by the report. Once that period has elapsed, then a separate Court Order is required to allow an application out of time.

Under rule 18.9 of the Insolvency (England and Wales) Rules 2006, an unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the office holder's remuneration and expenses, within 21 days of receipt of any report for the period. Any secured creditor may request the same details in the same time limit.

Under rule 18.34, an unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the office holder's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of any report for the period. Any secured creditor may make a similar application to court within the same time limit.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.