

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

02730966

Name of Company

Direct Line Connections Limited

~~By~~ We

Tyrone Shaun Courtman, Sky View Argosy Road, East Midlands Airport Castle Donington, Derbyshire, DE74 2SA

Nicholas John Edwards, Sky View Argosy Road, East Midlands Airport Castle Donington, Derbyshire, DE74 2SA

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 11/04/2013 to 10/04/2014

Signed

Date

10/6

PKF Cooper Parry Group Limited
Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA
Ref ZD010/TSC/NJE/LB/SW

THURSDAY



A11 *A39UUJCH* 12/06/2014 #183
COMPANIES HOUSE

Direct Line Connections Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 11/04/2013 To 10/04/2014	From 11/04/2011 To 10/04/2014
	ASSET REALISATIONS		
	Cooper Parry LLP client account	NIL	9,000 00
4,600 00	National Westminster Bank Plc	NIL	4,776 42
	Bank Interest Gross	24 92	79 88
		<u>24 92</u>	<u>13,856 30</u>
	COST OF REALISATIONS		
	Liquidators Fees	NIL	3,000 00
	Statutory Advertising	NIL	226 80
		<u>NIL</u>	<u>(3,226 80)</u>
	UNSECURED CREDITORS		
(240,861 00)	Welcomm Communications Ltd (note	NIL	NIL
(126,224 00)	HM Revenue & Customs (note 2 2)	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(100 00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(362,585.00)</u>		<u>24.92</u>	<u>10,629 50</u>
	REPRESENTED BY		
	VAT on Payments		645 36
	Bank 1 - Current		9,984 14
			<u>10,629.50</u>



PKF | Cooper Parry

Sky View, Argosy Road
Castle Donington
Derby
DE74 2SA
E leeb@pkfcooperparry.com
T 01332 411163

To All Known Creditors and Members

Your ref

Our ref TSC/NJE/LB/SW/ZD010/CV2010-B8 7

5 June 2014

When telephoning please ask for
Samantha Wetwood

Dear Sir/Madam

Direct Line Connections Limited - In Liquidation
Registered in England No. 02730966 at 1 Colton Square Leicester LE1 1QH

I was appointed Joint Liquidator of the above company on 11 April 2011 and in accordance with Section 92A of the Insolvency Act 1986, I present my progress report in respect of the year ended 10 April 2014

I enclose for your information -

Appendix

- A** The Joint Liquidators' Receipts and Payments Account for the period covered by this report
- B** Estimated Outcome Statement as at 10 April 2014
- C** Remuneration notification including a summary of work undertaken to 13 April 2014 and a summary of current hourly rates and disbursements
- D** Creditors guide to Liquidators' Fees
- E** Copy of rule 4.49E and rule r4.131, which sets out members' and creditors' rights to request further information and to challenge remuneration and expenses

Joint Liquidators' Receipts and Payments account at 10 April 2014

Attached at Appendix A is a copy of the Joint Liquidators' receipts and payments account as at 10 April 2014, showing a balance in hand plus VAT recoverable of £10,630

Cont'd

The firm's insolvency practitioners are licensed in the UK as follows
T S Courtman by the Institute of Chartered Accountants in England and Wales
N J Edwards by the Institute of Chartered Accountants in England and Wales
and when acting as Receivers, Administrative Receivers or Administrators act as agents only, without personal liability and
when acting as Administrators, the affairs, business and property of the company are being managed by them
PKF Cooper Parry Group Limited is a company registered in England No 07795137 Registered Office Sky View, Argosy Road Castle Donington, DE74 2SA
PKF Cooper Parry Group Limited is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility
or liability for the actions or inactions on the part of any other individual member firm or firms

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5 June 2014

The principal items of income received and expenditure incurred in the period are discussed in more detail below

REALISATION OF ASSETS

Bank Interest

During the period £24 92 has been received in gross interest on the balance of funds held within the Liquidation account

COSTS OF REALISATIONS

No costs have been incurred and paid within the period of this report

INVESTIGATIONS

As reported previously it has been necessary to review a number of Company transactions. During the period this has now been reduced to one particular transaction.

I am continuing to pursue my enquiries as it may lead to realisations for creditors. To assist me it has been necessary to instruct Shakespeares solicitors.

I will report more fully to creditors once my enquiries are complete.

LIQUIDATORS' FEES AND DISBURSEMENTS

At the first meeting of creditors it was resolved that the Liquidators' fees be calculated by reference to time costs incurred and drawn as funds permit.

During the period of this report my firm's costs were £9,950. The enclosed summary of work undertaken details the total work carried out so far and hours spent totalling £30,270, against which fees on account totalling £3,000 plus VAT have been drawn, leaving unrecovered costs of £27,270. The summary also includes details of disbursements totalling £99 incurred by PKF Cooper Parry Group Limited of which none has been paid.

As the firm's charge out rates are reviewed on an annual basis, the revised rates are enclosed for your information.

Cont'd

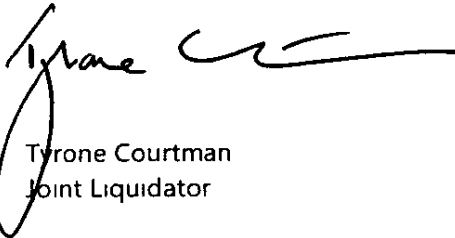
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5 June 2014

CONCLUSION

The investigation is continuing into the potential cause of action the Company may have and pursue this if commercially viable

If you require any further information, then please do not hesitate to contact Samantha Wetwood at this office

Yours faithfully
For and on behalf of
Direct Line Connections Limited - In Liquidation



Tyrone Courtman
Joint Liquidator

Enclosures

**Direct Line Connections Limited
(In Liquidation)**

Summary of Receipts & Payments

RECEIPTS	Statement of Affairs (£)	From 11/04/2011 To 10/04/2013 (£)	From 11/04/2013 To 10/04/2014 (£)	Total (£)
Cooper Parry LLP client account		9,000 00	0 00	9,000 00
National Westminster Bank Plc	4,600 00	4,776 42	0 00	4,776 42
Bank Interest Gross		54 96	24 92	79 88
		13,831 38	24 92	13,856 30
PAYMENTS				
Liquidators Fees		3,000 00	0 00	3,000 00
Statutory Advertising		226 80	0 00	226 80
		3,226 80	0 00	3,226 80
Net Receipts/(Payments)		10,604 58	24 92	10,629 50
MADE UP AS FOLLOWS				
VAT on Payments		645 36	0 00	645 36
Bank 1 - Current		9,959 22	24 92	9,984 14
		10,604 58	24 92	10,629 50

Direct Line Connections Limited - In Liquidation
Estimated Outcome Statement as at 10 April 2014

	Realised to date	Future realisations	Estimated outcome
	£	£	£
ASSET REALISATIONS			
Cooper Parry client account	9,000	-	9,000
Bank interest	80	-	80
Natwest account	4,776	-	4,776
ESTIMATED ASSETS AVAILABLE	<u>13,856</u>	<u>-</u>	<u>13,856</u>
EXPENSES OF THE LIQUIDATION			
Liquidator's fees	(3,000)	(4,565)	(7,565)
Pre appointment costs	-	(4,250)	(4,250)
Professional fees	-	(750)	(750)
Legal Fees & Disbursements	-	(1,000)	(1,000)
Statutory Advertising	(227)	(64)	(291)
	<u>(3,227)</u>	<u>(10,629)</u>	<u>(13,856)</u>
ESTIMATED ASSETS AVAILABLE TO UNSECURED CREDITORS	<u><u>10,630</u></u>	<u><u>(10,629)</u></u>	<u><u>-</u></u>

**REMUNERATION NOTIFICATION
FOR THE PERIOD 15 APRIL 2013 TO 13 APRIL 2014**

Case Name	Direct Line Connections Limited
Office Holders	Tyrone Shaun Courtman Nicholas John Edwards
Firm	PKF Cooper Parry Group Limited
Address	Sky View, Argosy Road Castle Donington Derby DE74 2SA
Telephone	01332 411163
Reference	ZD010
Type of Appointment	CVL
Date of Appointment	11 April 2011

CONTENTS

Case overview

Description of work carried out

Summary of time costs incurred for the period 15 April 2013 to 13 April 2014

Summary of total time costs incurred to 13 April 2014

Summary of category 2 Disbursements paid

CASE OVERVIEW

At the meeting of creditors on 11 April 2011 it was resolved that the office holders' remuneration be based on time costs incurred in dealing with the case

The office holders' report dated 5 June 2014 outlines the case strategy and conduct of the case. In particular, the following matters have had an impact on the time spent -

DESCRIPTION OF WORK CARRIED OUT

Statutory

- Periodic review and update of case strategy
- Conducting file reviews to ensure compliance and identify any other matters requiring attention
- Considering requirement for solicitors and assessing the appropriate firm to be instructed and giving instructions for legal advice to be sought
- Dealing with accounting set up and case set up to ensure ability to comply with statutory reporting requirements
- Obtaining specific penalty for the appropriate sum and reviewing
- Post appointment VAT return completion
- Post appointment Corporation Tax completion
- Statutory reporting including reports to creditors and convening and holding any meetings required
- Preparing and submitting statutory receipts and payments accounts including compliance with SIP 11
- Dealing with statutory requirements under the appropriate Statements of Insolvency Practice
- Reporting to creditors and/or any creditors committee in accordance with any agreement or legislation including compliance with SIPs 7, 9, 13 and 16
- Cashiering including processing receipts & payments

Investigations

- *Sending questionnaires to apparent directors and shadow directors*
- Reviewing the responses
- Consideration of investigation strategy
- Review of company records and requests to creditors for information to identify any matters requiring further detailed examination
- Completion of SIP 2 investigation work as appropriate
- Liaising with creditors including the Crown to obtain any supporting information required
- Liaise with solicitors if appropriate
- Pursuing any antecedent transactions as appropriate and as agreed

Asset Realisations

- Identifying, securing and insuring assets
- Seeking legal advice where appropriate
- Reviewing potential antecedent transactions

Creditors/Other Matters

- Corresponding with the HMRC with regard to pre-appointment taxation matters that may result in refunds
- Scheduling claims received from creditors if it appears that a dividend will be paid
- General creditor liaison

Abstract

[illegible]

SUMMARY OF CATEGORY 2 DISBURSEMENTS PAID

Type and Purpose:	£:
Photocopying	NIL
Telephone & Faxes	NIL
Mileage	NIL
Meeting Rooms	NIL
Total	NIL

**PKF COOPER PARRY GROUP LIMITED – BUSINESS RECOVERY AND INSOLVENCY
CHARGING AND DISBURSEMENT RATES AND POLICIES**

1.1 Standard Hourly Rates

	Rate effected from 1 May 2013	Rate effected from 1 May 2014
Partners/ Directors	395-425	400-450
Senior Manager/Consultant	325	335-350
Manager/Assistant Manager	225-275	200-250
Insolvency Administrator	80-165	150
Cashier	85-100	90-110
Administrative and Support	50-75	65-80
Tax Compliance	72-233	242
Vat Compliance	275	289

1.2 Uplifts on Standard Hourly Rates

In some instances where there is undue risk to the firm in recovering its standard hourly rates in full, typically as a consequence of the pursuit of causes of action where the outcomes are far from certain, or where there are considered to be undue risks associated with the conduct of an assignment, then approval for a % uplift on standard hourly rates may be sought. The % uplift sought will vary depending upon the circumstances of each case.

1.3 Charging Policies

Time is recorded and charged to the case in units of not less than 6 minutes.

Where possible work is delegated to staff with the appropriate experience and charge out rate.

Time spent by all grades of staff are charged to the case.

It is the firm's policy to revise its charge out rates periodically. Details of revised rates are available on request and will be circulated with statutory reports to creditors and to the Creditors' Committee (if constituted).

2.1 Category One Disbursements (payable at cost)

External record storage, retrieval, destruction and archive boxes

Postage, stationery and files

Advertising

Legal and professional fees

Specific penalty bond

Insurances

External room hire

2.2 Category Two Disbursements (rates chargeable)

Photocopying	10p per sheet
Telephone and faxes	£1 per each debtor and creditor
Mileage	45p per mile
Use of small meeting room	£50 per half day
Use of large meeting room	£100 per half day

2.3 Disbursement policies

Category one disbursements represent payments made to PKF Cooper Parry Group Limited in respect of the specific costs incurred attributable to the case

Category two disbursements are paid to PKF Cooper Parry Group Limited calculated on the rates set out above which are reviewed periodically. Details of revised rates are available on request and will be circulated with statutory reports to creditors and to the Creditors' Committee (if constituted)

3.0 Legal and professional fees

Proposed fees are reviewed to consider work undertaken and its effectiveness

Where proposed fees are considered to be excessive, a reduction in the fee payable is negotiated

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, explain 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 fixing bases of remuneration

6.1.1 When seeking agreement for the basis or bases of remuneration, the Liquidator should provide sufficient supporting information to enable the committee or the creditors to make an informed judgement as to whether the basis sought is appropriate having regard to all the circumstances of the case. The nature and extent of the information provided will depend on the stage during the conduct of the case at which

approval is being sought. The appendix to this guide sets out a suggested format for the provision of information.

6.1.2 If any part of the remuneration is sought on a time costs basis, the Liquidator should provide details of the minimum time units used and current charge-out rates, split by grades of staff, of those people who have been or who are likely to be involved in the time costs aspects of the case.

6.1.3 The Liquidator should also provide details and the cost of any work that has been or is intended to be sub-contracted out that could otherwise be carried out by the Liquidator or his or her staff.

6.1.4 If work has already been carried out, the Liquidator should state the proposed charge for the period to date and provide an explanation of what has been achieved in the period and how it was achieved, sufficient to enable the progress of the case to be assessed and whether the proposed charge is reasonable in the circumstances of the case.

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

6.2 After the bases of remuneration have been fixed

The Liquidator is required to send progress reports to creditors at specified intervals (see paragraph 7.1 below). When reporting periodically to creditors, in addition to the matters specified in paragraph 7.1, the Liquidator should provide an explanation of what has been achieved in the period under review and how it was achieved, sufficient to enable the progress of the case to be assessed.

Creditors should be able to understand whether the remuneration charged is reasonable in the circumstances of the case (whilst recognising that the Liquidator must fulfil certain statutory obligations and regulatory requirements that might be perceived as bringing no added value for the estate). Where any remuneration is on a time costs basis, the Liquidator should disclose the charge in respect of the period, the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. If there have been any changes to the charge-out rates during the period under review, rates should be disclosed by grades of staff, split by the periods applicable. The Liquidator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the Liquidator or his or her staff.

6.3 Disbursements and other expenses

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

Category 1 disbursements These are costs where there is specific expenditure directly referable both to the liquidation and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the Liquidator or his or her staff.

Category 2 disbursements These are costs that are directly referable to the liquidation but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the liquidation on a proper and reasonable basis, for example, business mileage.

Category 1 disbursements can be drawn without prior approval, although the Liquidator should be prepared to disclose information about them in the same way as any other expenses. Category 2 disbursements may be drawn if they have been approved in the same manner as the Liquidator's remuneration. When seeking approval, the Liquidator should explain, for each category of expense, the basis on which the charge is being made.

6.3.2 The following are not permissible:

- a charge calculated as a percentage of remuneration
- an administration fee or charge additional to the Liquidator's remuneration,
- recovery of basic overhead costs such as office and equipment rental, depreciation and finance charges

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 or after 1 November 2011.

Statement of the Provisions of Rule 4.49E & 4.131**Rule 4 49E Creditors' and members' request for further information**

(1) If -

(a) within the period mentioned in paragraph (2) -

- i a secured creditor, or
- ii an unsecured creditors with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
- iii 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, or

(b) with the permission of the court upon an application made within the period mentioned in paragraph (2) -

- i any unsecured creditor, or
- ii any member of the company in a members' voluntary winding up

makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4 49B(1) (e) or (f) (including by virtue of Rule 4 49C(5)) or in a draft report under Rule 4 49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of a matter in a draft report under Rule 4 49D or a progress report required by Rule 4 108 which (in either case) was previously included in a progress report not required by Rule 4 108

(2) The period referred to in paragraph (1)(a) and (b) is -

- (a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4 108, and
- (b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case

(3) The liquidator complies with this paragraph by either -

- (a) providing all of the information asked for, or
- (b) so far as the liquidator considers that -
 - i the time or cost of preparation of the information would be excessive, or
 - ii disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
 - iii the liquidator is subject to an obligation of confidentiality in respect of the information,
 given reasons for not providing all of the information

(4) Any creditor, and any member of the company in a members' voluntary winding up, who need not be the same as the creditors or members who asked for the information, may apply to the court within 21 days of -

- (a) the giving by the liquidator of reasons for not providing all of the information asked for, or
- (b) the expiry of the 14 days provided for in paragraph (1),

and the court may make such order as it thinks just

(5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks or, as the case may be, 4 weeks provided for in Rule 4 131(1B) or 4 148C(2) by such further period as the court thinks just

(6) This Rule does not apply where the liquidator is the official receiver

Rule 4.131 Creditors' claim that remuneration is or other expenses are excessive

(1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)

(1A) Application may be made on the grounds that –

- (a) the remuneration charged by the liquidator,
- (b) the basis fixed for the liquidator's remuneration under Rule 4 127, or
- (c) expenses incurred by the liquidator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate

(1B) The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or, in a case falling within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")

(2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days, notice, but which is without notice to any other party

If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly

(3) The applicant shall, at least 14 days before the hearing, send to the Liquidator a notice stating the venue, and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it

(4) If the court considers the application to be well-founded, it must make one or more of the following orders –

- (a) an order reducing the amount of remuneration which the liquidator was entitled to charge,
- (b) an order fixing the basis of remuneration at a reduced rate or amount,

(c) an order changing the basis of remuneration,

(d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,

(e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report"

(5) Unless the Court orders otherwise, the costs of the application shall be paid by the applicant and are not payable as an expense of the Liquidation