

The Insolvency Act 1986

Liquidator's Progress Report

S. 192

Pursuant to section 192 of the
Insolvency Act 1986

To the Registrar of Companies

For official use

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Company Number

03978497

Name of Company

(a) Insert full
name of company

(a) PROSPECTO LIMITED

(b) Insert full
name(s) and
address(es)I (b) Michael Gillard of Mackenzie Goldberg Johnson Limited, Scope House,
Weston Road, Crewe, Cheshire, CW1 6DDthe liquidator of the company attach a copy of my Progress Report under
section 192 of the Insolvency Act 1986Please note this appointment was previously held by Simon Atkins and was
transferred to Michael Gillard by a Court Order dated 5 December 2013

Signed

M Gillard

Date

27/2/14

Presenter's name,
address and
reference
(if any)Michael Gillard
Mackenzie Goldberg Johnson Limited
Scope House
Weston Road
Crewe
Cheshire
CW1 6DD

For Official Use

Liquidator or Secretary



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28/02/2014

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COMPANIES HOUSE

FRIDAY

**Prospecto Limited – In Creditors' Voluntary Liquidation
Liquidator's Progress Report to Creditors and Members
For the year ending 2 January 2014**

STATUTORY INFORMATION

Company name	Prospecto Limited
Trading names	Jacksons Boat The Crown Hotel
Registered office	c/o MGJ Limited, Scope House, Weston Road, Crewe, CW1 6DD
Former registered office	Jackson's Boat, Rifle Road, Sale, M33 2LX
Registered number	03978497
Liquidator's name	Michael Gillard
Liquidator's address	Mackenzie Goldberg Johnson Limited, Scope House, Weston Road, Crewe, CW1 6DD
Liquidator's date of appointment	5 December 2013 – This appointment was previously held by Simon Atkins and was transferred to Michael Gillard by a Court Order dated 5 December 2013
Former liquidator	Simon Atkins
Former liquidator's address	Mackenzie Goldberg Johnson Limited, Scope House, Weston Road, Crewe, CW1 6DD
Former liquidator's appointment date	3 January 2013
Former liquidator's release date	5 December 2013

RECEIPTS AND PAYMENTS ACCOUNT

A receipts and payments account for the period from 3 January 2013 to 2 January 2014 is attached at appendix 1

ASSETS

Tax Refund

A council tax refund of £314 47 has been received

Cash at Bank

Cash at bank of £240 80 has been received from the Co-operative Bank in respect of the balance in the company's account

Bank Interest

The sum of £3 87 has been received in respect of bank interest

Potential Antecedent Transactions

Investigations found that £16,000 had been paid to an associated person pursuant to Section 435 of the Insolvency Act 1986 in the two years prior to the liquidation. These payments represented a potential preference payment pursuant to Section 239 of the Insolvency Act 1986. The liquidator reached an agreement with the recipient for repayment of these monies. In April 2013, £14,000 was received in full and final settlement.

The company sold the fixtures and fittings to the lessor prior to the date of liquidation. The consideration appears to have been offset against a debt owed to the lessor for arrears of rent and supplies. Solicitors have been instructed in this matter and have been in correspondence with the solicitors acting on behalf of the lessor.

Leaseholds

The company held two leases in respect of the Crown Hotel and Jackson's Boat. The directors previously advised that the lease for the Crown Hotel had been surrendered and the manager had intended to obtain a new lease for the premises.

On review of the Land Registry it was clear that both leases were still registered in the company name. Due to the onerous nature of the leases, they were disclaimed by the liquidator in March 2013. The notice of disclaimer was sent to Companies House, the Land Registry, the lessor and the directors.

Motor Vehicles

The company owned one vehicle thought to be of only scrap value. Agents have been instructed to attend and collect the vehicle. It is expected that after the cost of collection there will be no surplus funds for the benefit of the liquidation.

Stock

The liquidator has been advised that the company's stock was sold prior to the liquidation to a connected company pursuant to Section 435 of the Insolvency Act 1986. This sale is currently being investigated.

Debtors

Debtors shown on the statement of affairs had a book value of £30,822 and an estimated to realise figure of zero. The majority of the book value figure relates to the deposits held by the lessor. Enquiries as to whether these deposits are realisable are ongoing.

LIABILITIES

Secured Creditors

An examination of the company's mortgage register held by the Registrar of Companies showed that the company has granted the following charges:

Rent Deposit Deed in favour of Mitchells & Butlers Retail (No 2) Limited created on 20 May 2009 and registered on 10 June 2009.

Rent Deposit Deed in favour of Mitchells & Butlers Retail Limited created on 16 February 2005 and registered on 8 March 2005.

The above deposits were used by the charge holders to cover the rent arrears.

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 there were no creditors secured by a floating charge and that the prescribed part provisions do not apply.

Preferential Creditors

There are no preferential creditors in this case.

Crown Creditors

The statement of affairs included £35,000 owed to HM Revenue and Customs. HM Revenue and Customs' claim of £59,737.96 has been received.

Non-preferential Unsecured Creditors

The statement of affairs included 12 unsecured creditors (excluding HM Revenue & Customs) with an estimated total liability of £33,510.71. Claims have been received from 4 creditors at a total of £11,585.17. Claims have not been received from 8 creditors with original estimated claims in the statement of affairs of £25,893.16.

DIVIDEND PROSPECTS

Secured creditors

As detailed above, Mitchells and Butlers held two rent deposit deeds. The deposits totalling £20,000 have been used against rent arrears. The amount outstanding to Mitchell and Butlers at the date of the liquidation is currently being investigated.

Ordinary unsecured creditors

At present, we are unable to confirm the likelihood of a dividend to creditors.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

An initial investigation was undertaken 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, the funds likely to be available to fund an investigation and the costs involved. As detailed earlier in this report, investigations are ongoing.

Within six months of appointment, the liquidator is required to submit a confidential report to the Secretary of State to include any matters which have come to his attention during the course of his work which may indicate that the conduct of any past or present director would make him unfit to be concerned with the management of the company. The report/return has been submitted.

PRE-APPOINTMENT REMUNERATION

The board previously authorised the payment of a fee of £5,000 plus VAT and disbursements for assistance with preparing the statement of affairs, producing and circulating the notices for the meetings of members and creditors, prior to the liquidator's appointment, at a meeting held on 13 December 2012. The fee for preparing the statement of affairs and convening the meetings was paid by the company.

LIQUIDATOR'S REMUNERATION

The liquidator's remuneration was previously authorised by creditors at a meeting held on 2 May 2013.



to be drawn on a time cost basis. Total time costs to 2 January 2014 amount to £18,935.00, representing 96.80 of hours work at an average charge out rate of £195.61 per hour. The sum of £5,000 has been drawn to date.

A schedule of time costs incurred to 2 February 2014 is attached as appendix 2.

A description of the routine work undertaken in the liquidation to date is as follows:

1 Administration and Planning

- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Preparing documentation required
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details on Insolv
- Review and storage
- Case bordereau
- Case planning and administration
- Case reviews and strategy
- Completing checklists
- Preparing reports to members and creditors
- Post-appointment notifications including to creditors, HM Revenue & Customs and advertising in the London Gazette
- Convening and holding a meeting of creditors and preparing the necessary documentation
- Disclaimer regarding the two leases and required statutory notices to Companies House, the Land Registry, the lessor and the directors
- Correspondence with the directors

2 Cashiering

- Maintaining and managing the liquidator's cashbook and bank account
- Completing VAT193 form

3 Creditors

- Dealing with creditor correspondence and telephone conversations
- Preparing reports to creditors
- Maintaining creditor information on Insolv
- Reviewing and adjudicating on proofs of debt received from creditors

4 Investigations

- Review and storage of books and records
- Review and analysis of financial information including information held on SAGE
- Obtaining copies of documents off Creditsafe
- Review of bank statements
- Obtaining copy documentation from the Land Registry
- Enquiries at the DVLA
- Preparing a report/return pursuant to the Company Directors Disqualification Act
- Conducting investigations into suspicious transactions
- Review books and records to identify any transactions or actions a liquidator may take against a third party in order to recover funds for the benefit of creditors

5 Realisation of Assets

- Liaising with the company's bank regarding the closure of the account
- Investigations into potential preference payments
- Negotiating a settlement in relation to a preference payment
- Instructing solicitors regarding the potential preference payment and overpayment to the lessor. Liaising with the solicitors and review of information and responses received from the lessor's solicitors

- Review of schedules provided by the lessor and reconciliation against company records
- Investigations into other potential recoveries

A copy of 'A Creditors Guide to Liquidators' Fees' published by the Association of Business Recovery Professionals, together with an explanatory note which shows Mackenzie Goldberg Johnson Limited's fee policy are enclosed

LIQUIDATOR'S EXPENSES

Expenses to 2 January 2014 amount to £1,088 71 Details of which are included in appendix 2 The sum of £917 21 has been drawn to date

The following expenses have been incurred but have not yet been paid

Type of expense	Amount incurred/accrued to date	Amount still to be paid
Statutory Bond - Succession Bond	£171 50	£171 50

No 'Category 2' disbursements have been charged in this case

The following agents or professional advisors have been utilised in this matter

Professional Advisor	Nature of Work	Fee Arrangement
Bowcock Cuerden LLP	Solicitors – review of leases, review of documentation received, advice regarding potential preference payment, correspondence with lessor and their solicitors and liaising with the liquidator and providing advice when required	Time costs - £1,110 plus VAT, being 6 hours at £185 00 per hour - Outstanding

The choice of professionals was based on the liquidator's perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them The fees charged have been reviewed and the liquidator is satisfied that they are reasonable in the circumstances of this case

LIQUIDATOR'S ACTIONS SINCE APPOINTMENT

Following appointment, the liquidator completed his statutory duties, including giving the required notices to the creditors, the Registrar of Companies and advertising in the London Gazette

As required, the liquidator undertook an investigation into the affairs of the company to identify any potential actions he may take to recover monies for the estate Potential preference payments were identified and the liquidator was able to reach a settlement with one of the recipients as detailed earlier in the report

The majority of time has been spent reviewing the lease agreements and information provided by the lessor, reviewing the company books and records and details held on SAGE and reconciling the information The liquidator has also been liaising with the solicitors throughout

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 liquidator's remuneration and expenses, within 21 days of 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 creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

SUMMARY

The liquidation will remain open until all investigations and potential recoveries are completed. Once these enquiries have been completed, the liquidation will be finalised and our files will be closed.

Should you have any queries regarding this report, or the liquidation in general, please contact Samantha Cooke on 01270 212700.



Michael Gillard
Liquidator of Prospecto Limited



**Prospecto Limited T/A T/A Jackson's Boat and T/A The Crown Hotel - In Creditors Voluntary Liquidation
Liquidator's Abstract of Receipts & Payments**

From 03 January 2013 To 02 January 2014

S of A £

From 03/01/13

To 02/01/14

ASSET REALISATIONS

Tax Refund	314 47
Cash at Bank	240 80
Bank Interest Net of Tax	3 87
Legal Settlement	14,000 00
Deposit for Costs	6,000 00
	<u>20,559 14</u>

COST OF REALISATIONS

Statement of Affairs Fee	(5,000 00)
Liquidator's Disbursements	(922 21)
Liquidator's Remuneration	(5,000 00)
	<u>(10,922 21)</u>

UNSECURED CREDITORS

(68,510 71)	Trade Creditors	<u>NIL</u>
		<u>NIL</u>
		<u>9,636 93</u>

REPRESENTED BY

Vat Recervable	2,160 96
Prospecto Limited - HSBC Bank -Interest Bearing Account	7,475 97
	<u>9,636 93</u>



**Michael Gillard
Liquidator**

Liquidator's Post-Appointment Remuneration Schedule
Prospecto Limited
Between 03 January 2013 and 02 January 2014

Classification of work function	Partner/Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	2 00	7 00	9 60	1 00	19 60	3,980 00	203 06
Investigations	1 60	18 40	16 10	3 00	39 10	7,702 50	196 99
Realisation of Assets	1 60	1 10	20 40	0 00	23 10	4,337 50	187 77
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	1 80	0 40	12 80	0 00	15 00	2,915 00	194 33
Case Specific Matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total hours	7 00	26 90	58 90	4 00	96 80		
Time costs	2,275 00	6,052 50	10,307 50	300 00	18,935 00		
Average hourly rate	325 00	225 00	175 00	75 00	195 61		

Description	Total Incurred £	Total Recovered £
Specific Bond	614 50	443 00
Statutory Advertising	364 21	364 21
Insolv Licence Fee	110 00	110 00
Totals	1,088.71	917.21

Summary of Fees

Time spent in administering the Assignment	Hours	96 80
Total value of time spent to 02 January 2014	£	18,935 00
Total Liquidator's fees charged to 02 January 2014	£	5,000 00

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A CREDITORS' GUIDE TO LIQUIDATORS' FEES

1 Introduction

1.1 When a company goes into liquidation the costs of the proceedings are paid out of its assets. The creditors, who hope to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as liquidator. The insolvency legislation recognises this interest by providing mechanisms for creditors to fix the basis of the liquidator's fees. This guide is intended to help creditors be aware of their rights to approve and monitor fees, explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the liquidator and challenge those they consider to be excessive.

2 Liquidation procedure

2.1 Liquidation (or 'winding up') is the most common type of corporate insolvency procedure. Liquidation is the formal winding up of a company's affairs entailing the realisation of its assets and the distribution of the proceeds in a prescribed order of priority. Liquidation may be either voluntary, when it is instituted by resolution of the shareholders, or compulsory, when it is instituted by order of the court.

2.2 Voluntary liquidation is the more common of the two. An insolvent voluntary liquidation is called a creditors' voluntary liquidation (often abbreviated to 'CVL'). In this type of liquidation an insolvency practitioner acts as liquidator throughout and the creditors can vote on the appointment of the liquidator at the first meeting of creditors.

2.3 In a compulsory liquidation on the other hand, the function of liquidator is, in most cases, initially performed not by an insolvency practitioner but by an official called the official receiver. The official receiver is an officer of the court and an official belonging to The Insolvency Service. In most compulsory liquidations, the official receiver becomes liquidator immediately on the making of the winding-up order. Where there are significant assets an insolvency practitioner will usually be appointed to act as liquidator in place of the official receiver, either at a meeting of creditors convened for the purpose or directly by The Insolvency Service on behalf of the Secretary of State. Where an insolvency practitioner is not appointed the official receiver remains liquidator.

2.4 Where a compulsory liquidation follows immediately on an administration the court may appoint the former administrator to act as liquidator. In such cases the official receiver does not become liquidator. An administrator may also subsequently act as liquidator in a CVL.

3 The liquidation committee

3.1 In a liquidation (whether voluntary or compulsory) the creditors have the right to appoint a committee called the liquidation committee, with a minimum of 3 and a maximum of 5 members, to monitor the conduct of the liquidation and approve the liquidator's fees. The committee is usually established at the creditors' meeting which appoints the liquidator, but in cases where a liquidation follows immediately on an administration any committee established for the purposes of the administration will continue in being as the liquidation committee.

3.2 The liquidator must call the first meeting of the committee within 6 weeks of its establishment (or his appointment if that is later), and subsequent meetings must be held either at specified dates agreed by the committee, or when requested by a member of the committee, or when the liquidator decides he needs to hold one. The liquidator is required to report to the committee at least every 6 months on the progress of the liquidation, unless the committee directs otherwise. This provides an opportunity for the committee to monitor and discuss the progress of the insolvency and the level of the liquidator's fees.

4 Fixing the liquidator's remuneration

4.1 The basis for fixing the liquidator's remuneration is set out in Rules 4.127 – 4.127B of the Insolvency Rules 1986. The Rules state that the remuneration shall be fixed

- as a percentage of the value of the assets which are realised or distributed or both,
- by reference to the time properly given by the liquidator and his staff in attending to matters arising in the liquidation, or
- as a set amount.

Any combination of these bases may be used to fix the remuneration, and different bases may be used for different things done by the liquidator. Where the remuneration is fixed as a percentage, different percentages may be used for different things done by the liquidator.

It is for the liquidation committee (if there is one) to determine on which of these bases, or combination of bases, the remuneration is to be fixed. Where it is fixed as a percentage, it is for the committee to determine the percentage or percentages to be applied. Rule 4.127 says that in arriving at its decision the committee shall have regard to the following matters:

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- 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



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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

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- 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

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A CREDITORS' GUIDE TO LIQUIDATORS' FEES

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

APPENDIX - MACKENZIE GOLDBERG JOHNSON LIMITED – FEE POLICY

EFFECTIVE FROM 1 JANUARY 2014

It is the policy of Mackenzie Goldberg Johnson Limited to seek approval to draw fees by reference to the time properly given by the Insolvency Practitioner and other staff in attending to matters arising in the case. The charge-out rates of all grades of staff, including principals, who are likely to be involved in assignments, are as follows

Staff Grade	Standard Rate per Hour (£) (Excluding VAT)	Complex Rate per Hour (£) (Excluding VAT)
Insolvency Practitioner	325	425
Manager	225	295
Assistant Manager	205	265
Senior Administrator	190	245
Administrator	175	225
Support Staff/Cashiering	75	100

Support staff and cashiering work is not charged via the hourly rates of insolvency practitioners, managers, assistant manager, senior administrators, or administrators. Support staff and cashiering work is charged directly on an hourly rate as above

In line with industry guidelines set out in Statement of Insolvency Practice 9 (SIP 9), timesheets are recorded on a computerised system in 6 minute intervals

Charge-out rates are subject to periodic review and are subject to change

MACKENZIE GOLDBERG JOHNSON LIMITED – DISBURSEMENT POLICY

Category 1 Disbursements

It is not necessary to obtain specific resolution for the payment of category 1 disbursements. Category 1 disbursements are expenses that are directly identifiable in relation to the assignment

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Some examples of category 1 disbursements include, post redirection, advertising, bonding, Land Registry search fees, Companies House searches, specific travel costs, external room hire and external box storage

Category 2 Disbursements

It is necessary to obtain a specific resolution for the payment of category 2 disbursements. Category 2 disbursements are expenses that are not directly identifiable in relation to the assignment. These expenses normally contain an element of shared or apportioned cost.

It is the policy of Mackenzie Goldberg Johnson Limited to seek approval for the following category 2 disbursements:

Item	Description	Rate
Internal Room Hire	Internal meeting room for statutory meetings	£100 per meeting
Stationary, Postage, Telephone, Fax, Photocopies	One off charge per assignment and then pro rata thereafter	£100 initial charge and £60 per annum pro rata for the length of the assignment
Mileage	Staff mileage used in connection with a specific assignment charged at HM Revenue & Customs mileage rate	45p per mile

APPENDIX - MACKENZIE GOLDBERG JOHNSON LIMITED – FEE POLICY

PRIOR TO 1 JANUARY 2014

It is the policy of Mackenzie Goldberg Johnson Limited to seek approval to draw fees by reference to the time properly given (in six minute units) by the Insolvency Practitioner and other staff in attending to matters arising in the case. The charge-out rates of all grades of staff, including principals, who are likely to be involved in the case are as follows:

Staff Grade	Rate per Hour (Excluding VAT)
Insolvency Practitioner	325
Insolvency Manager	225
Insolvency Administrator	175
Support Staff	75

Charge-out rates may be subject to change. It is the policy of Mackenzie Goldberg Johnson Limited to recover the following categories of costs arising in the case (known as 'Category Two Disbursements') which may include an element of shared or allocated costs as follows:

Item	Charge	Rate
Paper	Per A4 Sheet	5p
Photocopier	Per A4 Sheet	5p
Envelopes	Each	10p
Postage	Package Rate	£1 50
Postage	Letter Rate	50p
Room Hire	Per 30 minute meeting	£50 00

Proof of Debt – General Form

Prospecto Limited In Creditors' Voluntary Liquidation

Date of resolution for voluntary winding-up 3 January 2013

1	Name of creditor (If a company please also give company registration number)	
2	Address of creditor for correspondence	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation	
4	Details of any documents by reference to which the debt can be substantiated (Note There is no need to attach them now but the liquidator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting)	
5	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7	Particulars of any security held, the value of the security, and the date it was given	
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
9	Signature of creditor or person authorised to act on his behalf _____	
	Name in BLOCK LETTERS _____	
	Position with or in relation to creditor _____	
	Address of person signing (if different from 2 above) _____	
Admitted to vote for		Admitted for dividend for
£		£
Date		Date
Liquidator		Liquidator