

**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

04290849

Name of Company

A G Mackie Limited ta AGM Flooring

I

Kate Elizabeth Breese, Oxford Chambers, Oxford Road, Guiseley, Leeds, LS20 9AT

the liquidator of the company attach a copy of my Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 28/08/2013 to 27/08/2014

Signed



Date

24/9/14

Walsh Taylor
Oxford Chambers
Oxford Road
Guiseley
Leeds
LS20 9AT

Ref AGM0001/KB/GH/MC/AW

WEDNESDAY

A04 *A3I3PGLV* 08/10/2014 #275
COMPANIES HOUSE

**A.G. Mackie Limited ta AGM Flooring
(In Liquidation)
Liquidator's Abstract of Receipts & Payments**

Statement of Affairs		From 28/08/2013 To 27/08/2014	From 28/08/2012 To 27/08/2014
	ASSET REALISATIONS		
200 00	Furniture & Equipment	NIL	200 00
5,000 00	Motor Vehicles	NIL	4,825 00
150 00	Stock	NIL	150 00
22,017 59	Book Debts	NIL	22,646 62
2,000 00	Cash at Bank	NIL	1,008 73
		<u>NIL</u>	<u>28,830 35</u>
	COST OF REALISATIONS		
	Specific Bond	NIL	148 00
	Preparation of S of A	NIL	10,000 00
	Liquidator Fees	1,041 67	16,541 67
	Office Holders Expenses	NIL	35 50
	Cred Meeting Expenses	NIL	150 00
	Assistance Fee	NIL	1,000 00
	Agents/Valuers Fees (1)	NIL	500 00
	Postage (Cat1) - no VAT	NIL	31 96
	Stationery (Cat2) with VAT	NIL	68 85
	Statutory Advertising	NIL	190 21
		<u>(1,041 67)</u>	<u>(28,666 19)</u>
	PREFERENTIAL CREDITORS		
(7,112 17)	Employee Arrears/Hol Pay	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(46,296 79)	Trade & Expense Creditors	NIL	NIL
(28,538 40)	Employees	NIL	NIL
(19,607 00)	Directors	NIL	NIL
(1,875 00)	Inland Revenue	NIL	NIL
(10,024 35)	Customs & Excise	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(2 00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(84,088.12)</u>		<u>(1,041 67)</u>	<u>164 16</u>
	REPRESENTED BY		
	Bank Current a/c		164 16
			<u>164.16</u>



Kate Elizabeth Breese
Liquidator

**A. G. Mackie Limited t/a AGM
Flooring - In Liquidation**

Company No: 04290849

Liquidator's Annual Progress Report to Creditors

Pursuant to S104A of the Insolvency Act 1986

23 September 2014

Registered Office
Walsh Taylor
Oxford Chambers
Oxford Road
Guisley
Leeds
LS20 9AT

**A. G. Mackie Limited t/a AGM
Flooring - In Liquidation**

Company No: 04290849

Liquidator's Annual Progress Report to Creditors

Pursuant to S104A of the Insolvency Act 1986

23 September 2014

Registered Office
Walsh Taylor
Oxford Chambers
Oxford Road
Guiseley
Leeds
LS20 9AT

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Introduction

- 1 1 This report provides an update on the progress in the liquidation of A.G Mackie Limited t/a AGM Flooring (the **Company**) I was appointed Liquidator of the Company at the first meeting of creditors held on 28 August 2012
- 1 2 I enclose at Appendix A an account of the Liquidator's Receipts and Payments for the year ended 28 August 2014, with a comparison to the Directors' Statement of Affairs values

2 Realisation of Assets

- 2 1 The Company's assets were shown by the Directors in their estimated statement of affairs as at 28 August 2012 to be

Asset Type	Book Value £	Estimated to Realise £
Furniture & Equipment	£ 11,788 00	£ 200 00

Motor Vehicles	£ 9,501 00	£ 5,000 00
Stock	£ 500 00	£ 150 00
Book Debts	£ 39,382 00	£ 22,017 59
Cash at Bank	£ 2,000 00	£ 2,000 00

- 2 2 The Company's Furniture & Equipment, Stock and three of the motor vehicles were sold to Mr Andre Mackie, the former Director of the Company, on 29 August 212, following an independent valuation by Michael Steel & Co for the sum of £4,850 plus Vat The vehicles were sold for £4,500, Furniture & Equipment for £200 and Stock for £150 Funds were received in full on 24 September 2012
- 2 3 An additional motor vehicle was sold to a third party for the sum of £325 plus Vat, following an independent valuation from Michael Steel & Co Funds were received on 5 October 2012
- 2 4 The sum of £22,646 62 has been collected in respect of Book Debts One Book Debt remains outstanding in the sum of £10,025 01 This debt is subject to an Individual Voluntary Arrangement (IVA) Although the arrangement proposes a dividend of 87 25p/£ upon successful completion, to date no dividends have been paid A dividend is expected to become available within the next three months
- 2 5 The sum of £1,008 73 has been received in respect of Cash at Bank
- 2 6 Total asset realisations achieved in this Liquidation to date are £28,830 35

3 Investigations

- 3 1 In accordance with the Company Directors Disqualification Act 1986 the liquidator has submitted a report on the conduct of the Directors of the Company to the Department of Business, Innovation & Skills ("BIS") As this is a confidential report, I am not able to disclose the contents
- 3 2 The Liquidator also has a duty to investigate the extent of the Company's assets including potential claims against third parties including the Directors, and to report her findings, subject to considerations of privilege and confidentiality and whether those investigations and/or any potential litigation might be compromised
- 3 3 The preliminary assessment of the conduct of the Company's affairs prior to winding up did not reveal any matters that it was in the interest of creditors for the Liquidator to pursue Accordingly I am not conducting or proposing to conduct any further, more detailed investigations however I will of course continue to monitor the Company's situation

4 Creditors

Secured Creditors

- 4 1 HSBC Bank Plc hold a debenture created and registered on 15 December 2001 creating fixed and floating charges over the Company's assets

Preferential Creditors

- 4 2 There is one preferential creditor in this liquidation. The National Insurance Fund claims the sum of £3,285 21 preferentially in respect of payments made to former employees of the Company for claims for wages and holiday pay

Prescribed Part

- 4 3 Where a Company has granted security over its assets which includes a qualifying floating charge the Liquidator is obliged to consider setting aside a proportion of net property, which would otherwise be available to the holder of floating charge security over the Company's assets, for the benefit of unsecured creditors (known as "the Prescribed Part")
- 4 4 The Prescribed Part provisions of the Insolvency Act 1986 do not apply to this Company as there is no floating charge dated on or after 15 September 2003

Unsecured Creditors

- 4 5 The Liquidator has received claims totalling £107,856 84 from 20 creditors. I have yet to receive claims from 12 creditors whose debts total £23,583 47 as per the Directors' Statement of Affairs. A Statement of Claim for is attached at Appendix D for those creditors who have yet to register their claim in the Liquidation

Dividend prospects

- 4 6 At this juncture it is uncertain as to whether funds are expected to become available to enable a distribution to any class of creditor. This is dependant upon further costs and asset realisations in relation to outstanding book debts

5 Liquidator's Remuneration, Disbursements and Expenses

Basis of the Liquidator's remuneration

- 5 1 At the initial meeting of creditors held pursuant to Section 98 of the Act on 28 August 2012 it was resolved that the Liquidator would be remunerated by reference to the time properly spent in dealing with this matter at Walsh Taylor's standard charging rates, and that her disbursements would be drawn in accordance with Walsh Taylor's standard tariff (see Appendix E)

Remuneration charged and disbursements incurred

- 5 2 The Liquidator's post liquidation time costs as at 27 August 2014 total £19,517 50 in respect of 101 60 hours at an average hourly rate of £192 10
- 5 3 Disbursements incurred are summarised at Appendix C

Remuneration and disbursements drawn

- 5 4 As at the date of this report the sum of £16,541 67 has been drawn by way of Liquidator's remuneration I enclose, at Appendix B, a Time Analysis in accordance with the provisions of Statement of Insolvency Practice 9 (SIP9), which provides details of the activity costs incurred by staff grade for the period of my administration together with details of cumulative costs
- 5 5 Details of disbursements drawn are set out in Appendix C

Liquidation expenses charged and drawn

- 5 6 Details of the costs incurred and paid by the Liquidator in relation to liquidation expenses are also attached at Appendix C
- 5 7 I comment specifically that at the first meeting of creditors held on 28 August 2012 it was resolved that the fees and disbursements of Walsh Taylor for assisting the Directors in convening the statutory meetings to place the Company into liquidation and for assistance in preparing the Statement of Affairs would be a set fee of up to £10,000 plus VAT, to be paid out of the assets of the Company, together with disbursements incurred
- 5 8 The sum of £10,000 plus VAT has been drawn on account in this respect
- 5 9 It was further resolved that the sum of £1,000 plus VAT be paid to Burlinson Shaw & Co in respect of assistance in the preparation of the statement of affairs
- 5 10 The sum of £1,000 plus VAT has been paid in this respect

Creditors' Guide to Fees and Statement of Creditors' rights

- 5 11 If you require any further information with respect to a Liquidator's remuneration, disbursements and expenses, please see Appendix E This document also includes a statement of creditors' rights

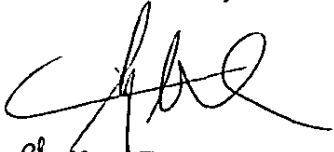
6 Matters outstanding

- 6 1 Asset realisations are still ongoing

6 2 Accordingly, the estimated timescale for closure is dependent upon the above

6 3 If you require any further information please do not hesitate to contact me at the above address

Yours faithfully

A handwritten signature in black ink, appearing to be 'K. Breese', written over a horizontal line.

Kate Elizabeth Breese
Liquidator

Enc

Receipts & Payments Account for the Period 28 August 2012 to 27 August 2014 Appendix A

Appendix A

A.G. Mackie Limited to AGM Flooring (In Liquidation)

Summary of Receipts & Payments

RECEIPTS	Statement of Affairs (£)	From 28/08/2012 To 27/08/2013 (£)	From 28/08/2013 To 27/08/2014 (£)	Total (£)
Furniture & Equipment	200 00	200 00	0 00	200 00
Motor Vehicles	5,000 00	4,825 00	0 00	4,825 00
Stock	150 00	150 00	0 00	150 00
Book Debts	22,017 59	22,646 62	0 00	22,646 62
Cash at Bank	2,000 00	1,008 73	0 00	1,008 73
Vat Payable		1,035 00	0 00	1,035 00
Vat Control Account		3,916 05	775 00	4,691 05
		<u>33,781.40</u>	<u>775.00</u>	<u>34,556.40</u>
PAYMENTS				
Category 1 Disbursements (1)		374 17	0 00	374 17
Category 2 Disbursements (1)		250 35	0 00	250 35
Preparation of S of A (2)		10,000 00	0 00	10,000 00
Liquidator Fees (3)		15,500 00	1,041 67	16,541 67
Assistance Fee (4)		1,000 00	0 00	1,000 00
Agents/Valuers Fees (5)		500 00	0 00	500 00
Vat Receivable		5,517 72	208 33	5,726 05
		<u>33,142.24</u>	<u>1,250.00</u>	<u>34,392.24</u>
Net Receipts/(Payments)				<u><u>164 16</u></u>

Notes to the Receipts and Payments Account

(1) See Appendix C for further details

(2) Agreed on a set fee basis as up to £10,000 plus Vat and disbursements at the meeting of creditors

(3) Agreed on a time cost basis at the meeting of creditors

(4) Paid to Burlison Shaw & Co on a set fee basis as up to £1,000 plus Vat for work done in the preparation of the Statement of Affairs

(5) Paid to Michael Steel & Co on a set fee basis for work done in the valuation and sale of assets

Time Entry - SIP9 Time & Cost Summary

AGM0001 - A G Mackie Limited ta AGM Flooring
Project Code POST
From 28/08/2012 To 27/08/2014

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Cashier	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	5.00	17.20	0.00	19.30	0.00	41.50	7,572.00	182.48
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashier	1.60	2.20	0.00	17.80	0.00	21.60	3,551.50	164.42
Creditors	0.00	3.30	0.00	1.00	0.00	4.30	854.00	198.60
Investigations	0.40	11.80	0.00	0.00	0.00	12.20	2,708.00	221.97
Realisation of Assets	0.20	21.80	0.00	0.00	0.00	22.00	4,832.00	219.64
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	7.20	55.30	0.00	38.10	0.00	101.60	19,517.50	192.10
Total Fees Claimed							16,188.67	
Total Disbursements Claimed							1,476.53	

Time Entry - SIP9 Time & Cost Summary

AGM0001 - A G Mackie Limited ta AGM Flooring
Project Code POST
From 28/08/2013 To 27/08/2014

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Cashier	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	0.80	5.00	0.00	8.00	0.00	11.80	1,948.00	165.08
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashier	0.60	0.00	0.00	5.00	0.00	5.60	873.50	155.98
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	0.50	0.00	0.00	0.00	0.50	110.00	220.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	1.40	5.50	0.00	11.00	0.00	17.90	2,931.50	163.77
Total Fees Claimed							16,166.67	
Total Disbursements Claimed							1,476.53	

A.G MACKIE LIMITED t/a AGM FLOORING - IN LIQUIDATION
Appendix C
Liquidator's disbursements and expenses to 27 August 2014
Disbursements incurred and paid

	Incurred £	Unpaid £	Written off £	Paid £
Category 1				
Insolvency bond	148 00	0 00	0 00	148 00
Postage	79 69	47 73	0 00	31 96
Company search	4 00	0 00	0 00	4 00
Advertising	190 21	0 00	0 00	190 21
	<u>421 90</u>	<u>47 73</u>	<u>0.00</u>	<u>374.17</u>

Category 2

Stationery	101 60	32 75	0 00	68 85
Room Hire	150 00	0 00	0.00	150 00
Mileage	6 50	0 00	0 00	6 50
Case Set Up fee	25 00	0 00	0 00	25 00
	<u>283 10</u>	<u>32 75</u>	<u>0 00</u>	<u>250 35</u>

Expenses incurred and paid

Expense	Paid to	Basis of payment
Pre liquidation disbs	Walsh Taylor	Approved by creditors on 28 August 2012
Statutory advertising	Courts Advertising	Statutory payment - set tariff
Bonding	Marsh Limited	Premium
Agents fee	Michael Steel & Co	Set fee
Assistance Fee	Burlinson Shaw & Co	Set fee

	Incurred £	Unpaid £	Written off £	Paid £
Pre liquidation fees	10,000 00	0 00	0 00	10,000 00
Assistance fee	1,000 00	0 00	0 00	1,000 00
Agents/Valuers fee	500 00	0 00	0 00	500 00
	<u>11,500 00</u>	<u>0 00</u>	<u>0 00</u>	<u>11,500 00</u>

PROOF OF DEBT - GENERAL FORM**In the matter of A.G. Mackie Limited t/a AGM Flooring****In Liquidation
and in the matter of The Insolvency Act 1986****Resolution for voluntary winding up 28 August 2012**

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show - (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category Amount(s) claimed as preferential £
9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	£
11	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

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 this 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

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.	
8	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 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 What if a creditor is dissatisfied? 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 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 provide certain conditions are met, apply to the court. 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 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	
9		
9.1		
9.2		
9.3		
9.4		

Appendix

Suggested format for the provision of information

Professional guidance issued to insolvency practitioners sets out the following suggested format for the provision of information when seeking approval of remuneration. However, the level of disclosure suggested below may not be appropriate in all cases and will be subject to considerations of proportionality in larger or more complex cases the circumstances of each case may dictate the information provided and its format.

Narrative overview of the case

In all cases, reports on remuneration should provide a narrative overview of the case. Matters relevant to an overview are

- the complexity of the case,
- any exceptional responsibility falling on the liquidator;
- the liquidator's effectiveness
- the value and nature of the property in question

The information provided will depend upon the basis or bases being sought or reported upon and the stage at which it is being provided. An overview might include

- an explanation of the nature, and the liquidator's own initial assessment, of the assignment (including the anticipated return to creditors) and the outcome (if known);
- initial views on how the assignment was to be handled, including decisions on staffing or subcontracting and the appointment of advisers
- any significant aspects of the case, particularly those that affect the remuneration and cost expended
- the reasons for subsequent changes in strategy;
- the steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, and fee drawing;
- any existing agreement about remuneration;
- details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid and what steps have been taken to review their fees,
- in a larger case, particularly if it involved trading, considerations about staffing and managing the assignment and how strategy was set and reviewed
- details of work undertaken during the period;
- any additional value brought to the estate during the period, for which the liquidator wishes to claim increased remuneration

Time cost basis

Where any part of the remuneration is or is proposed to be calculated on a time costs basis, requests for and reports on remuneration should provide

- An explanation of the liquidator's time charging policy, clearly stating the units of time that have been used, the grades of staff and rates that have been charged to the assignment, and the policy for recovering the cost of support staff. There is an expectation that time will be recorded in units of not greater than 5 minutes
- A description of work carried out, which might include
 - details of work undertaken during the period, related to the table of time spent for the period;
 - an explanation of the grades of staff used to undertake the different tasks carried out and the reasons why it was appropriate for those grades to be used;
 - any comments on any figures in the summary of time spent accompanying the request the liquidator wishes to make
- Time spent and charge-out summaries, in an appropriate format

It is useful to provide time spent and charge-out value information in a tabular form for each of the time periods reported upon, with work classified (and sub-divided) in a way relevant to the circumstances of the case

The following areas of activity are suggested as a basis for the analysis of time spent

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The level of disclosure suggested above will not be appropriate in all cases, and considerations of proportionality will apply

- where cumulative time costs are and are expected to be, less than £10,000 the liquidator should, as a minimum, state the number of hours and average rate per hour and explain any unusual features of the case
- where cumulative time costs are, or are expected to be, between £10,000 and £50,000 a time and charge-out summary similar to that shown above will usually provide the appropriate level of detail (subject to the explanation of any unusual features)
- where cumulative time costs exceed, or are expected to exceed, £50,000 further and more detailed analysis or explanation will be warranted



Walsh Taylor Insolvency Practitioners

Charge Out Rates

	Rate per hour £
Director/Insolvency Practitioner	280
Senior Manager	220
Manager	180
Senior Administrator	160
Administrator	125
Cashier	125
Support staff (inc. secretarial)	75-100

Time is charged in units of 6 minutes
Support and secretarial staff time is charged to cases on the basis of time spent at the rates stated above

Disbursements Recovery Policy

Category 1	Direct costs are recovered at actual cost to the case Includes for example and where relevant insurance and bonding advertising courier registration fees, search fees postage (including re-direction) storage subsistence and public transport No charge is made for telephone calls Appointed costs are recovered on the following tariff:- £1 per page sent 15p per copy – irrespective of size £150 for room hire for creditors meetings charge is only be made when attendance of debtor/director and/or creditors is likely and a meeting room has been set aside Initial case set-up fee per corporate case £20 to 30 th April 2012 £25 from 1 st May 2012 £15 per personal case Annual case file maintenance charges of £10 65p per mile Fax, photocopying and stationery charges are based on the average costs of consumables Room hire is based on an average of charges levied by four local providers
Category 2	
Fax	
Photocopying	
Room hire	
Stationery	
Car travel	