

**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

04368433

Name of Company

A A G INVESTMENTS LIMITED

I / We
Gareth David Peckett
2 Rutland Park
Sheffield
S10 2PD

Graham Leslie Stuart-Harris
2 Rutland Park
Sheffield
S10 2PD

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 25/11/2011 to 24/11/2012

Signed

Date

- 8 JAN 2012

Barber Harrison & Platt
2 Rutland Park
Sheffield
S10 2PD

THURSDAY



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10/01/2013

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COMPANIES HOUSE

Ref INA005/GDP/OA

A. A.G. INVESTMENTS LIMITED
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 25/11/2011 To 24/11/2012
	ASSET REALISATIONS	
200 00	Plant & Equipment	NIL
565 96	Office Equipment	650 00
4,000 00	Motor Vehicles	2,350 00
50 00	Fixtures & Fittings	NIL
79,000 00	WIP BAA	6,929 13
7,500 00	Book Debts	793 79
Uncertain	Investments	6 48
	Explorer Associates	6,083 32
NIL	Prepayments	NIL
	Bank Interest Gross	1 93
		<u>16,814 65</u>
	COST OF REALISATIONS	
	Preparation of S of A	5,000 00
	Office Holders Fees (22/06/12)	7,800 00
	Office Holders Expenses	1,701 58
	Agents/Valuers Fees - CWH	455 70
	Legal Fees - Walker Morris	NIL
		<u>(14,957 28)</u>
	PREFERENTIAL CREDITORS	
(1,000 00)	Employee Arrears/Hol Pay	NIL
		<u>NIL</u>
	FLOATING CHARGE CREDITORS	
(346,821 36)	The Royal Bank of Scotland	NIL
		<u>NIL</u>
	UNSECURED CREDITORS	
(418,870 65)	Trade & Expense Creditors	NIL
(57,140 98)	HM Revenue & Customs (VAT)	NIL
(289,835 55)	HM Revenue & Customs (PAYE)	NIL
(82,680 00)	HM Revenue & Customs (CT)	NIL
(34,569 09)	Employees Redundancy & Pension	NIL
		<u>NIL</u>
	DISTRIBUTIONS	
(20,000 00)	Ordinary Shareholders	NIL
		<u>NIL</u>
<u>(1,159,601.67)</u>		<u><u>1,857.37</u></u>
	REPRESENTED BY	
	Bank 1 Current	1,857 37
		<u><u>1,857.37</u></u>

A.A.G. Investments Limited
Creditors Voluntary Liquidation

Strictly Private & Confidential

Joint Liquidators Report to Members & Creditors
Pursuant to the Insolvency Rules 1986
For the period 25 November 2011 to 24 November 2012

Barber Harrison & Platt
Corporate Recovery & Insolvency
2 Rutland Park Sheffield
S10 2PD
Tel: 0114 266 7171 Fax: 0114 266 9846
www.bhp.co.uk

Contents

- 1. Introduction**
- 2. Statutory Information**
- 3. Receipts and Payments Account**
- 4. Assets**
- 5. Investigations**
- 6. Creditors**
- 7. Dividend Prospects**
- 8. E.C. Regulations**
- 9. Bordereau**
- 10. Payments and Expenses**
- 11. Conclusion**

Appendices

- 1. Joint liquidators' receipts and payments account for period 25 November 2011 to 24 November 2012.**
- 2. Joint liquidators SIP 9 Time Charge Out and Disbursement Summary for the period 25 November 2011 to 24 November 2012.**
- 3. Barber Harrison & Platt current charge-out rates and disbursements
Creditors Guide to Fees**

A.A.G. Investments Limited – Creditors Voluntary Liquidation

The Joint Liquidators report to Members & Creditors pursuant to the Insolvency Rules 1986 from 25 November 2011 to 24 November 2012.

1. Introduction

I, Gareth David Peckett and Graham Leslie Stuart-Harris of Barber Harrison & Platt, Chartered Accountants were appointed Joint Liquidators of AAG Investments Limited on 25 November 2011 and now present our progress report to members & creditors pursuant to the Insolvency Rules 1986.

2. Statutory Information

Company Name:	A.A.G. Investments Limited
Registered office:	2 Rutland Park, Sheffield, S10 2PD
Former registered office:	Westthorpe Innovation Centre, Block B Suite 22, Killamarsh, S21 1TZ
Registered number:	04368433
Liquidator's details:	Gareth David Peckett and Graham Leslie Stuart-Harris of Barber Harrison & Platt, Chartered Accountants, 2 Rutland Park, Sheffield, S10 2PD

3. Receipts and Payments Account

I attach for your information at appendix 1 a copy of our summarised receipts and payments account for the period of this report. The figures under "S of A" are taken from the Company's statement of affairs.

4. Assets

4.1 Plant and Equipment

This relates to various skips, bins signs and containers used by the Company. These items were on site at a customer's premises. Our agents advised that it was not commercially viable to remove and sell them so they have been left on site.

4.2 Office equipment

This relates to various office equipment including computers, laptops, printers, office chairs and software.

The former director Mr Stuart McQueen purchased three computers on 17 February 2012 for £650 plus VAT. The offer was in line with the independent valuation and was accepted on the advice of our agents.

4.3 Motor Vehicles

The company owned a Vauxhall Vectra 2.2 Cdti Exec Reg KY56 UXW. The vehicle was collected and sold at auction by our agents for the sum of £2,350.

4.4 Work in progress ('WIP')

The Directors took legal action regarding outstanding WIP through their solicitors which related to a breach of contract by BAA Airports Limited ('BAA'). Prior to the Liquidation of the company an offer of £75,000 was made by BAA.

The offer was accepted by the directors prior to the liquidation and the settlement monies paid to the company's solicitor, Hill Dickinson of Sheffield. Hill Dickinson claim to have a solicitor's lien against the settlement monies received from BAA and have drawn their outstanding fees against the settlement monies resulting in a surplus of £6,929.13. The matter of the lien is being reviewed by our solicitors Walker Morris.

4.5 Book debts

Upon appointment the company records showed debtors with a book value of £36,960.21 the Directors advised that many of the book debts are not realisable and estimated that £7,500 of the debtors will be recoverable. Book debts totalling £793.79 have been received to date.

The balance of the book debt ledger has been referred to our solicitors to pursue.

4.6 Tomlin order

In the period of this report we have received repayments of £6,083.32 from Explorer Associates Limited. The funds relate to litigation which became subject to a Tomlin order. The balance of £1,583.32 is still to be collected.

4.7 Miscellaneous Receipts

An amount of £1.93 has been received in respect of Gross Bank interest and £6.48 in respect of a company owned investment with IG Markets.

5. Investigations

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

6. Creditors

6.1 Secured Creditors

The Company banked with the Royal Bank of Scotland plc. The Bank facilities comprise an overdraft and loan account.

The bank holds Fixed and floating charges over the undertaking and all property and assets present and future including goodwill, bookdebts, uncalled capital, buildings, fixtures, fixed plant and machinery. I have received a confirmation from the bank that the debt outstanding in the liquidation is £347,468.90.

6.2 Preferential Creditors

The director's estimated Statement of Affairs provided for preferential creditors in the sum of £1,000 which related to claims made by the employees in respect of arrears of wages and holiday pay.

Claims made by employees/directors are adjudicated by the Insolvency Service through the Redundancy Payments Service and then any claims notified to the appointed liquidators in due course.

We have received a preferential claim from the Insolvency Service in the sum of £342.86 which is yet to be agreed for dividend purposes.

6.3 Unsecured Creditor

Unsecured creditors, as estimated in the director's statement of affairs, totalled £883,096.27. To date we have received claims of £863,998.89 in respect of unsecured creditors.

6.4 Section 176A (2)a of the Insolvency Act 1986

Section 176A(2)a of the Insolvency Act 1986 provides that where a qualifying floating charge has been created on or after 15 September 2003, the Liquidator must make a prescribed part of the company's net property available for the satisfaction of the unsecured debt.

It is uncertain whether there will be sufficient funds to facilitate a dividend to any class of creditor at this stage.

7. Dividend Prospects

It is currently uncertain if there will be a dividend to any class of creditor.

8. E.C. Regulations

The E.C. Regulations applies to this case, and these proceedings are main proceedings as defined in Article 3 of the E.C. Regulations

9. Bordereau

The case was bonded for £100,000 on 5 December 2011

10. Payments & Expenses

Details of payments made during the period of this report as shown on the enclosed receipts and payment abstract and detailed Time charge-out and disbursement summary. Should you require any explanations over and above those given below, please contact my colleague, Oliver Adams in the first instance.

10.1 Joint Liquidators Remuneration

At the meeting of creditors held on 25 November 2011, it was agreed that the Statement of Affairs fee of £5,000, plus VAT and disbursements in respect of work undertaken up to and including the Section 98 meeting be approved by the creditors and that the Joint Liquidators remuneration will be fixed by reference to the time properly given by them and their staff in attending to matters arising in the winding up.

It was resolved that in respect of disbursements, the joint liquidators be authorised to draw disbursements, including disbursements for services provided by their firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9), in accordance with their firms' policies, details of which accompanied the information presented to the creditors meeting.

Time charged by Barber Harrison & Platt for the period of this report amounts to 75.6 hours totalling £12,234.25 which is an average hourly rate of £161.83 per hour. I have drawn fees of £7,800 against my time costs in this period.

Attached to this report at appendix 2 is a charge out summary detailing the time charged in the period.

Explanatory notes to the summary of time costs

Administration and Planning

Work performed includes: 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 IPS, review and storage, case bordereau, case planning and administration, preparing reports to members and creditors, convening and holding meetings of members and creditors.

Realisation of Assets

Work performed includes identifying, securing and insuring the assets, dealing with any sale of the business, dealing with any retention of title claims over the assets,

transition of contracts, property issues, collecting the debts and disposal of the stock and other assets.

Investigations

Work performed includes investigation of the company's affairs in accordance with Statement of Insolvency Practice 2 and the submission of a report to the Insolvency Service in accordance with the Company Directors Disqualification Act 1986

Creditors

Work Performed includes setting up of our creditor records for secured, preferential and non-preferential creditors and for the employees, communication with the creditors/employees after our appointment by telephone, e-mail and letter, as required, dealing with creditors/employee correspondence and telephone calls and, where appropriate, agreeing creditors/employees claims in the insolvency proceedings and distribution of funds. Work also includes providing reports to Banks/secured creditors as necessary.

A copy of 'A Creditors Guide to Liquidators' Fees' published by the Association of Business Recovery Professionals and 'A Statement of Insolvency Practice 9 (Revised)' together with an explanatory note which shows Barber Harrison & Platt's fee policy are attached to this report at appendix 3.

10.2 Liquidators Disbursements

Liquidators' disbursements of £1,701.58 have been incurred in respect of disbursements relating to the Creditors Voluntary Liquidation. A breakdown of the disbursements incurred can be seen on the attached charge out schedule at appendix 2.

10.3 Solicitors Fees

Walker Morris Solicitors of Leeds were instructed to assist with collection of the remaining debtors and provide general advice regarding the liquidation. They have been instructed based upon their normal charge out rates. They have incurred WIP in the sum of £14,360.50 and unbilled disbursements of £575 during the period. They have not received any payment to date.

10.4 Agents Fees

C W Harrison & Son of Ossett were instructed with regards to a valuation and sale of the Plant & Machinery, office furniture, vehicle and stock. They have been instructed based upon their normal charge out rates and have received £455.70 to date which is detailed on the attached receipts and payments account.

It is not expected that any further fees will be paid to C W Harrison & son.

10.5 Request for further Information & Creditors Right of Challenge

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.

11. Conclusion

I can advise that the liquidation cannot yet be brought to a close as collection of the book debt ledger and an a review of the solicitors lien on the settlement funds received in respect of litigation brought by the Company prior to the liquidation is still ongoing . A further report will be sent to all known creditors at the second anniversary of my appointment, or upon completion of the liquidation.

I hope that the above information is of value to you as members & creditors. Should you require any further information or explanation regarding this report then please do not hesitate to contact me in writing.



G D Peckett
Joint Liquidator

8 January 2013

APPENDIX 1

JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD 25 NOVEMBER 2011 TO 24 NOVEMBER 2012

A. A.G. INVESTMENTS LIMITED
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments
To 24/11/2012

S of A £		£	£
	ASSET REALISATIONS		
200 00	Plant & Equipment	NIL	
565 96	Office Equipment	650 00	
4,000 00	Motor Vehicles	2,350 00	
50 00	Fixtures & Fittings	NIL	
79,000 00	WIP	6,929 13	
7,500 00	Book Debts	793 79	
Uncertain	Investments	6 48	
	Explorer Associates	6,083 32	
NIL	Prepayments	NIL	
	Bank Interest Gross	1 93	
			16,814 65
	COST OF REALISATIONS		
	Preparation of S of A	5,000 00	
	Office Holders Fees (22/06/12)	7,800 00	
	Office Holders Expenses	1,701 58	
	Agents/Valuers Fees - CWH	455 70	
			(14,957 28)
	PREFERENTIAL CREDITORS		
(1,000 00)	Employee Arrears/Hol Pay	NIL	
			NIL
	FLOATING CHARGE CREDITORS		
(346,821 36)	The Royal Bank of Scotland	NIL	
			NIL
	UNSECURED CREDITORS		
(418,870 65)	Trade & Expense Creditors	NIL	
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(82,680 00)	HM Revenue & Customs (CT)	NIL	
(34,569 09)	Employees Redundancy & Pension	NIL	
			NIL
	DISTRIBUTIONS		
(20,000 00)	Ordinary Shareholders	NIL	
			NIL
(1,159,601.67)			1,857.37
	REPRESENTED BY		
	Bank 1 Current		1,857 37
			1,857.37

Gareth David Peckett
Joint Liquidator

APPENDIX 2

SIP 9 TIME CHARGE OUT AND DISBURSEMENT SUMMARY FOR THE PERIOD 25 NOVEMBER 2011 TO 24 NOVEMBER 2012

Time analysis from 25 November 2011 to 24 November 2012

Disbursements analysis (including SIP 9 category 2 disbursements) from 25 November 2011 to 24 November 2012

Date	Description	Amount
05/12/2011	Statutory advertising	76 50
05/12/2011	Statutory advertising	76 50
05/12/2011	Statutory advertising	76 50
18/11/2011	Statutory advertising	76 50
06/12/2011	Bordereau	67 50
12/12/2011	Asset insurance	428 08
25/04/2012	Petitioner cost	900 00
	Total	1,701 58

APPENDIX 3

**BARBER HARRISON & PLATT CHARGE-OUT RATES AND DISBURSEMENTS
CREDITORS GUIDE TO FEES
RULES 4.49E AND 4.131 OF THE INSOLVENCY RULES 1986 [AS AMENDED]**

CHARGE-OUT RATES AND DISBURSEMENTS 2012

In accordance with the Joint Insolvency Committee Statement of Insolvency Practice Number 9 ("SIP 9") we would confirm that this firm's policy as regards charging for time costs and disbursements incurred is as follows:

CHARGE-OUT RATES

Grade	Standard Rate per hour
Insolvency Consultant	£250
Insolvency Senior Manager	£200
Insolvency Manager	£145
Insolvency Case Manager	£135
Cashier / Other administrators	£85

In cases that require a significant amount of investigation or where the ability to pay fees is dependent on realising assets that are considered irrecoverable at the outset, an uplift of 50% may be applied to the above rates. This will be referred to as the Premium Rate and will be requested where our costs would otherwise be at risk. Creditors will be advised on a case by case basis when approval for these higher rates is being sought and such Premium Rates will only be payable out of the enhanced recovery. The department charges in minimum time units of 6 minutes.

In certain cases specialist in-house advice may be appropriate and the following hourly rates will apply:

Tax Partner	£250
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It is not this firm's policy to charge separately for secretarial or most administrative staff.

We would point out that charge-out rates do change from time to time. We will advise any material changes to charge-out rates either when seeking approval of creditors or the creditors committee to draw fees, or with the next annual meeting report if a resolution based on time costs has already been passed.

DISBURSEMENTS

This firm recharges Category 1 disbursements in accordance with SIP 9 as and when they are incurred. These charges do not require specific authorisation but details can be provided on request. However, other disbursements are classed as Category 2 and require specific approval by creditors or any creditors' committee. This firm does not attempt to recover all such disbursements from the individual case but does seek approval to the recharges on the following page:

Disbursement	Rate	Basis of charge
Staff Mileage	£0.40 per mile	This is charged regardless of fuel type and engine size on journeys made outside of the boundaries of the City of Sheffield. Journeys within the city boundaries are not recharged.
Room Hire	£50	This charge is for the use of a meeting room and is levied per meeting. Where a room has to be hired elsewhere, this will be a Category 1 charge and is likely to be well in excess of the internal charge.
Storage	£4.00 per box plus £0.125 per box per wk	Books and records have to be stored for a certain period of time. Off site storage is recharged by an independent storage company and will be recovered under Category 1. A charge is however levied for internal storage and the provision of storage boxes at: <ul style="list-style-type: none"> • Boxes - £4.00 per box; • Storage - £0.125 per box per week.
Company Searches		
<ul style="list-style-type: none"> • Insolvency department standard pack: <ul style="list-style-type: none"> • Company Report • Accounts • Annual Return • Accounts • Annual Return • Mortgage summary • Company Report • Memo and arts • Insolvency Status 	£25 £10 £5 £5 £10 £36 N/C	These charges are levied to all clients of the firm and are based on the direct cost plus an uplift to cover administration costs of collating the information. We believe the rates to be comparable to outside agencies.
BHP Financial Planning Limited ("BHP FP")		Insurance and pension costs would usually be referred to the Alexander Forbes Group, or another independent insurance company, and such costs would be chargeable under Category 1. However, very occasionally the firm's financial advisor company, BHP FP, is instructed to assist with, for example, disposing of endowment policies. BHP FS usually takes its fees from the commissions arising at market rates, as is normal practice in the insurance and pensions market.

This firm does not attempt to recover the cost of telephone calls/faxes or emails.

A CREDITORS' GUIDE TO LIQUIDATORS' FEES

ENGLAND AND WALES

1 Introduction

- 1 1 When a company goes into liquidation the costs of the proceedings are paid out of its assets. The creditors, who hope to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as liquidator. The insolvency legislation recognises this interest by providing mechanisms for creditors to fix the basis of the liquidator's fees. This guide is intended to help creditors be aware of their rights to approve and monitor fees, explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the liquidator and challenge those they consider to be excessive.

2 Liquidation procedure

- 2 1 Liquidation (or 'winding up') is the most common type of corporate insolvency procedure. Liquidation is the formal winding up of a company's affairs entailing the realisation of its assets and the distribution of the proceeds in a prescribed order of priority. Liquidation may be either voluntary, when it is instituted by resolution of the shareholders, or compulsory, when it is instituted by order of the court.
- 2 2 Voluntary liquidation is the more common of the two. An insolvent voluntary liquidation is called a creditors' voluntary liquidation (often abbreviated to 'CVL'). In this type of liquidation an insolvency practitioner acts as liquidator throughout and the creditors can vote on the appointment of the liquidator at the first meeting of creditors.
- 2 3 In a compulsory liquidation on the other hand, the function of liquidator is, in most cases, initially performed not by an insolvency practitioner but by an official called the official receiver. The official receiver is an officer of the court and an official belonging to The Insolvency Service. In most compulsory liquidations, the official receiver becomes liquidator immediately on the making of the winding-up order. Where there are significant assets an insolvency practitioner will usually be appointed to act as liquidator in place of the official receiver, either at a meeting of creditors convened for the purpose or directly by The Insolvency Service on behalf of the Secretary of State. Where an insolvency practitioner is not appointed the official receiver remains liquidator.
- 2 4 Where a compulsory liquidation follows immediately on an administration the court may appoint the former administrator to act as liquidator. In such cases the official receiver does not become liquidator. An administrator may also subsequently act as liquidator in a CVL.

3 The liquidation committee

- 3 1 In a liquidation (whether voluntary or compulsory) the creditors have the right to appoint a committee called the liquidation committee, with a minimum of 3 and a maximum of 5 members, to monitor the conduct of the liquidation and approve the liquidator's fees. The committee is usually established at the creditors' meeting which appoints the liquidator, but in cases where a liquidation follows immediately on an administration any committee established for the purposes of the administration will continue in being as the liquidation committee.
- 3 2 The liquidator must call the first meeting of the committee within 6 weeks of its establishment (or his appointment if that is later), and subsequent meetings must be held either at specified dates agreed by the committee, or when requested by a member of the committee, or when the liquidator decides he needs to hold one. The liquidator is required to report to the committee at least every 6 months on the

progress of the liquidation, unless the committee directs otherwise. This provides an opportunity for the committee to monitor and discuss the progress of the insolvency and the level of the liquidator's fees.

4 Fixing the liquidator's remuneration

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

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

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

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

- the complexity (or otherwise) of the case,
- any responsibility of an exceptional kind or degree which falls on the liquidator in connection with the insolvency,
- the effectiveness with which the liquidator appears to be carrying out, or to have carried out, his duties,
- the value and nature of the assets which the liquidator has to deal with.

4.2 If there is no liquidation committee, or the committee does not make the requisite determination, the liquidator's remuneration may be fixed by a resolution of a meeting of creditors. The creditors take account of the same matters as apply in the case of the committee. A resolution specifying the terms on which the liquidator is to be remunerated may be taken at the meeting which appoints the liquidator.

4.3 If the remuneration is not fixed as above, it will be fixed in one of the following ways. In a CVL, it will be fixed by the court on application by the liquidator, but the liquidator may not make such an application unless he has first tried to get his remuneration fixed by the committee or creditors as described above, and in any case not later than 18 months after his appointment. In a compulsory liquidation, it will be in accordance with a scale set out in the Rules.

4.4 Where the liquidation follows directly on from an administration in which the liquidator had acted as administrator, the basis of remuneration fixed in the administration continues to apply in the liquidation (subject to paragraph 8 below).

5. Review of remuneration

Where there has been a material and substantial change in circumstances since the basis of the liquidator's remuneration was fixed, the liquidator may request that it be changed. The request must be made to the same body as initially approved the remuneration, and the same rules apply as to the original approval.

6 What information should be provided by the liquidator?

6.1 When seeking remuneration approval

6.1.1 When seeking agreement to his fees the liquidator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on

- the nature of the approval being sought,
- the stage during the administration of the case at which it is being sought, and
- the size and complexity of the case

6.1.2 Where, at any creditors' or committee meeting, the liquidator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case

6.1.3 Where the liquidator seeks agreement to his fees during the course of the liquidation, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the liquidator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the liquidator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the liquidator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the liquidator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent:

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

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

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

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the liquidator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain

- Any significant aspects of the case, particularly those that affect the amount of time spent
- The reasons for subsequent changes in strategy
- Any comments on any figures in the summary of time spent accompanying the request the liquidator wishes to make
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement.
- Any existing agreement about fees.
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

- 6.1.4** Where the fee is charged on a percentage basis the liquidator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by a liquidator or his staff

6.2 After remuneration approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the liquidator should notify the creditors of the details of the resolution in his next report or circular to them. When subsequently reporting to creditors on the progress of the liquidation, or submitting his final report, he should specify the amount of remuneration he has drawn in accordance with the resolution (see further paragraph 7.1 below). Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 6.1.3. Where the fee is charged on a percentage basis the liquidator should provide the details set out in paragraph 6.1.4 above regarding work which has been sub-contracted out.

6.3 Disbursements and other expenses

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements, but there is provision for the creditors to challenge them, as described below. Professional guidance issued to insolvency practitioners requires that, where the liquidator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the liquidator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

6.4 Realisations for secured creditors

Where the liquidator realises an asset on behalf of a secured creditor and receives remuneration out of the proceeds (see paragraph 11.1 below), he should disclose the amount of that remuneration to the committee (if there is one), to any meeting of creditors convened for the purpose of determining his fees, and in any reports he sends to creditors.

7. Progress reports and requests for further information

7.1 The liquidator is required to send annual progress reports to creditors. The reports must include

- details of the basis fixed for the remuneration of the liquidator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it),
- if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report),
- if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done during those periods, irrespective of whether payment was actually made during the period of the report,
- a statement of the expenses incurred by the liquidator during the period of the report, irrespective of whether payment was actually made during that period,
- a statement of the creditors' rights to request further information, as explained in paragraph 7.2, and their right to challenge the liquidator's remuneration and expenses

7.2 Within 21 days of receipt of a progress report (or 7 business days where the report has been prepared for the purposes of a meeting to receive the liquidator's resignation) a creditor may request the liquidator to provide further information about the remuneration and expenses set out in the report. A request must be in writing, and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court.

7.3 The liquidator must provide the requested information within 14 days, unless he considers that

- the time and cost involved in preparing the information would be excessive, or
- disclosure would be prejudicial to the conduct of the liquidation or might be expected to lead to violence against any person, or
- the liquidator is subject to an obligation of confidentiality in relation to the information requested,

in which case he must give the reasons for not providing the information

Any creditor may apply to the court within 21 days of the liquidator's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information.

8. Provision of information – additional requirements

The liquidator must provide certain information about the time spent on the case, free of charge, upon request by any creditor, director or shareholder of the company

The information which must be provided is –

- the total number of hours spent on the case by the liquidator or staff assigned to the case,
- for each grade of staff, the average hourly rate at which they are charged out,
- the number of hours spent by each grade of staff in the relevant period

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the

liquidator's appointment, or where he has vacated office, the date that he vacated office

The information must be provided within 28 days of receipt of the request by the liquidator, and requests must be made within two years from vacation of office

9 What if a creditor is dissatisfied?

9 1 Except in cases where there is a liquidation committee it is the creditors as a body who have authority to approve the liquidator's fees. To enable them to carry out this function they may require the liquidator to call a creditors' meeting. In order to do this at least ten per cent in value of the creditors must concur with the request, which must be made to the liquidator in writing

9 2 If a creditor believes that the liquidator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the liquidator are in all the circumstances excessive he may, provided certain conditions are met, apply to the court

9 3 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the liquidator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 7 1 above). If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the liquidator a copy of the application and supporting evidence at least 14 days before the hearing

9 4 If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not out of the assets of the insolvent company

10 What if the liquidator is dissatisfied?

If the liquidator considers that the remuneration fixed by the liquidation committee, or in the preceding administration, is insufficient or that the basis used to fix it is inappropriate he may request that the amount or rate be increased, or the basis changed, by resolution of the creditors. If he considers that the remuneration fixed by the liquidation committee, the creditors, in the preceding administration or in accordance with the statutory scale is insufficient, or that the basis used to fix it is inappropriate, he may apply to the court for the amount or rate to be increased or the basis changed. If he decides to apply to the court he must give at least 14 days' notice to the members of the committee and the committee may nominate one or more of its members to appear or be represented at the court hearing. If there is no committee, the liquidator's notice of his application must be sent to such of the creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid out of the assets

11 Other matters relating to remuneration

11 1 Where the liquidator realises assets on behalf of a secured creditor he is entitled to be remunerated out of the proceeds of sale in accordance with a scale set out in the Rules. Usually, however, the liquidator will agree the basis of his fee for dealing with charged assets with the secured creditor concerned

11 2 Where two (or more) joint liquidators are appointed it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute between them may be referred to the court, the committee or a meeting of creditors

- 11 3 If the appointed liquidator is a solicitor and employs his own firm to act in the insolvency, profit costs may not be paid unless authorised by the committee, the creditors or the court
- 11 4 If a new liquidator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new liquidator until a further determination, resolution or court order is made
- 11 5 Where the basis of the remuneration is a set amount, and the liquidator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing liquidator. The application must be made to the same body as approved the remuneration. Where the outgoing liquidator and the incoming liquidator are from the same firm, they will usually agree the apportionment between them
- 11 6 There may also be occasions when creditors will agree to make funds available themselves to pay for the liquidator to carry out tasks which cannot be paid for out of the assets, either because they are deficient or because it is uncertain whether the work undertaken will result in any benefit to creditors. Arrangements of this kind are sometimes made to fund litigation or investigations into the affairs of the insolvent company. Any arrangements of this nature will be a matter for agreement between the liquidator and the creditors concerned and will not be subject to the statutory rules relating to remuneration

12. Effective date

This guide applies where a company –

- goes into liquidation on a winding-up resolution passed on or after 6 April 2010,
- goes into voluntary liquidation immediately following an administration on or after 6 April 2010, except where the preceding administration began before that date,
- goes into compulsory liquidation as the result of a petition presented on or after 6 April 2010, except where the liquidation was preceded by:
 - an administration which began before that date,
 - a voluntary liquidation in which the winding-up resolution was passed before that date

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4.49E Creditors' and Members' request for further information

4.49E(1) [Duty of Liquidator re remuneration or expenses] It-

- (a) within the period mentioned in paragraph (2)-
 - (i) a secured Creditor, or
 - (ii) an unsecured Creditor 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 4.49(B)(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 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.

4.49E(2) [Period for compliance with r.4.49E(1)] 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.

4.49E(3) [How liquidator to comply] 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

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(III) the liquidator is subject to an obligation of confidentiality in respect of the information

giving reasons for not providing all of the information.

4.49E(4) [Application to court by creditors and members] 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.

4.49E(5) [Court may extend period in rr.4.131(1B), 4.148C(2)] 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.

4.49E(6) [Non-application to official receiver] This Rule does not apply where the Liquidator is the official receiver.

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

4.131(1) [Secured or certain unsecured creditors may apply to court] 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)

4.131(1A) [Grounds for application] 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 circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate.

4.131(1B) [Time limit for application] 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').

4.131(2) [Power of court to dismiss etc.] 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.

4.131(3) [Notice to Liquidator] 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.

4.131(4) [Court order] 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 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;

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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.

4.131(5) [Costs of application] 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.