

The Insolvency Act 1986

Liquidator's Statement of
Receipts and Payments
Pursuant to Section 192 of
The Insolvency Act 1986**S.192**

To the Registrar of Companies

For Official Use

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Company Number

05128284

Name of Company

T D Trading Limited

I / We

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

the liquidator(s) of the company attach a copy of my/our statement of receipts and
payments under section 192 of the Insolvency Act 1986

Signed



Date

9/6/15

Walsh Taylor
Oxford Chambers
Oxford Road
Guiseley
Leeds
LS20 9AT

Ref TDT0001/KB/RB/AW

For Official Use

Insolvency Sect | Post Room

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COMPANIES HOUSE

Statement of Receipts and Payments under section 192 of the Insolvency Act 1986

Name of Company T D Trading Limited

Company Registered Number 05128284

State whether members' or creditors' voluntary winding up Creditors

Date of commencement of winding up 03 February 2010

Date to which this statement is brought down 02 February 2015

Name and Address of Liquidator

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

NOTES

You should read these notes carefully before completing the forms. The notes do not form part of the return to be sent to the registrar of companies.

Form and Contents of Statement

(1) Every statement must contain a detailed account of all the liquidator's realisations and disbursements in respect of the company. The statement of realisations should contain a record of all receipts derived from assets existing at the date of the winding up resolution and subsequently realised, including balance at bank, book debts and calls collected, property sold etc., and the account of disbursements should contain all payments of costs, charges and expenses, or to creditors or contributories. Receipts derived from deposit accounts and money market deposits are to be included in the 'balance at bank'. Only actual investments are to be included in the 'amounts invested' section in the analysis of balance on page 5 of the form. Where property has been realised, the gross proceeds of sale must be entered under realisations and the necessary payments incidental to sales must be entered as disbursements. A payment into the Insolvency Services Account is not a disbursement and should not be shown as such, nor are payments into a bank, building society or any other financial institution. However, the interest received on any investment should be shown in the realisations. Each receipt and payment must be entered in the account in such a manner as sufficiently to explain its nature. The receipts and payments must severally be added up at the foot of each sheet and the totals carried forward from one account to another without any intermediate balance, so that the gross totals represent the total amounts received and paid by the liquidator respectively.

Trading Account

(2) When the liquidator carries on a business, a trading account must be forwarded as a distinct account, and the total of receipts and payments on the trading account must alone be set out in this statement.

Dividends

(3) When dividends, instalments of compositions, etc. are paid to creditors or a return of surplus assets is made to contributories, the total amount of each dividend, etc. actually paid, must be entered in the statement of disbursements as one sum, and the liquidator must forward separate accounts showing in lists the amount of the claim of each creditor, and the amount of dividend, etc. payable to each creditor or contributory.

(4) When unclaimed dividends, etc. are paid into the Insolvency Services Account, the total amount so paid in should be entered in the statement of disbursements as one sum. The items to be paid in relation to unclaimed dividends should first be included in the realisations side of the account.

(5) Credit should not be taken in the statement of disbursements for any amount in respect of liquidator's remuneration unless it has been duly allowed by resolutions of the liquidation committee or of the creditors or of the company in general meeting, or by order of the court as the case may require, or is otherwise allowable under the provisions of the Insolvency Rules.

Liquidator's statement of account
under section 192 of the Insolvency Act 1986

Realisations			
Date	Of whom received	Nature of assets realised	Amount
		Brought Forward	7,679 07
28/02/2014	Yorkshire Bank	Bank Interest Gross	0 12
31/03/2014	Yorkshire Bank	Bank Interest Gross	0 13
30/04/2014	Yorkshire Bank	Bank Interest Gross	0 12
30/05/2014	Yorkshire Bank	Bank Interest Gross	0 13
Carried Forward			7,679 57

NOTE No balance should be shown on this account but only the total realisations and disbursements which should be carried forward to the next account

Analysis of balance

Total realisations	£	7,679 57
Total disbursements		7,076 89
Balance £		602 68
This balance is made up as follows		
1 Cash in hands of liquidator		0 00
2 Balance at bank		602 68
3 Amount in Insolvency Services Account		0 00
4 Amounts invested by liquidator	£	0 00
Less The cost of investments realised		0 00
Balance		0 00
5 Accrued Items		0 00
Total Balance as shown above		602 68

NOTE - Full details of stocks purchased for investment and any realisation of them should be given in a separate statement

The Liquidator should also state -

- (1) The amount of the estimated assets and liabilities at the date of the commencement of the winding up

	£	
Assets (after deducting amounts charged to secured creditors including the holders of floating charges)		Nil
Liabilities - Fixed charge creditors		0 00
Floating charge holders		56,815 00
Preferential creditors		5,530 00
Unsecured creditors		84,654 00
- (2) The total amount of the capital paid up at the date of the commencement of the winding up -

Paid up in cash		2 00
Issued as paid up otherwise than for cash		0 00
- (3) The general description and estimated value of any outstanding assets (if there is insufficient space here, attach a separate sheet)

None
- (4) Why the winding up cannot yet be concluded

Final Closure Matters
- (5) The period within which the winding up is expected to be completed

3 Months

Walsh Taylor
T.D. Trading Limited
Creditors

Key	Name	Address	£
CA00	ADT Fire & Security plc	Security House, The Summit, Hanworth Road, Sunbury on Thames, TW16 5DB	0 00
CB00	British Gas Business	Spinneyside, Penman Way, Grove Park, Leicester, LE19 1SZ	2,000 00
CB01	British Gas	Po Box 7685, Leicester, LE19 1ZE	8,500 00
CC00	Camelot Group plc	Camelot Group plc, Tolpits Lane, Watford, Herts, WD18 9RN	500 00
CD00	Dee Bee	Adam Smith Street, Grimsby, DN31 1SJ	8,801 28
CE00	Edf Energy	Freepost 3814, London, WC1V 6AJ	1,500 00
CE01	E ON	PO Box 7750, Nottingham, NG1 6WR	2,500 00
CE02	Ernest Wilson	The Business Centre, Deanhurst Park, Gelderd Road, Leeds, LS27 7LG	500 00
CE03	Employees	Various	9,405 00
CH00	HSBC Bank Plc	Wesley Square, Goole, East Yorkshire, DN14 5EZ	56,815 29
CH01	HM Revenues & Customs	ICHU RM BP 3202, Benton Park View, Longbenton, Newcastle upon Tyne, NE98 1ZZ	22,000 00
CH02	HM Revenues & Customs	Insolvency Operations, Queens Dock, Liverpool, L74 4AF	0 00
CK00	Kirklees Council	Revenues & Benefits Service, Selectapost 2, Civic Centre 1, Huddersfield, HD1 2XD	704 21
CK01	Kirklees Council	Revenues & Benefits Service, Selectapost 2, Civic Centre 1, Huddersfield, HD1 2XD	2,000 00
CK02	Kirklees Council	Revenues & Benefits Service, Selectapost 2, Civic Centre 1, Huddersfield, HD1 2XD	2,000 00
CK03	Kingsway Asset Finance Ltd	Barons Court, Manchester Road, Wilmslow, Cheshire SK9 1BQ	12,500 00
CL00	Lombard	PO Box 520, Rotherham, S63 3BR	199 00
CM00	MBNA Europe Bank Limited	Business Lending, Chester Business Park, Chester, CH4 9FB	5,724 29
CM01	Medina Dairy Limited	Buckleys Farm, Dry Hill Lane, Denby, Huddersfield, HD8 8YN	3,500 00
CP00	Paypoint	1 The Boulevard, Shire Park, Welwyn Garden City, Herefordshire, AL7 1EL	7,500 00
CY00	Yorkshire Water	Western House, Western Way, Bradford, BD6 2LZ	350 00
21 Entries Totalling			146,999.07

Signature _____

**T.D. Trading Limited - In
Liquidation**

Company No: 05128284

Liquidator's Annual Report to Creditors

Pursuant to S106 of the Insolvency Act 1986

9 June 2015

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 T D Trading Limited (the **Company**) At the first meeting of creditors held on 3 February 2010 Mr T Calverley of Walsh Taylor was appointed Liquidator of the Company
- 1 2 I was appointed Liquidator of the Company by Order of the High Court on 28 March 2011 replacing Mr T Calverley The effect of the Order is that Mr Calverley ceased to be Liquidator on that date and I became Liquidator in his place A Copy of the Order will be made available upon receipt of a written request to this office
- 1 3 I enclose at Appendix A an account of the Liquidator's Receipts and Payments for the period ending 2 February 2014, and for the period of the Liquidation as a whole, with a comparison to the Directors' Statement of Affairs values
- 1 4 Under the terms of the Court Order, any creditor may apply to Court for an order that Mr Calverley or myself provide separate summaries of our receipts and payments accounts In that event, the cost of our doing so to be dealt with as an expense of the winding up Walsh

Taylor will, in practice, be happy to provide this information to any creditor requiring it on written request to this office

2 Realisation of Assets

- 2 1 The Company's assets were shown by the Directors in their estimated statement of affairs as at 3 February 2010 to be Fixtures and Fittings estimated to realise £1,000 and Stock estimated to realise £4,000
- 2 2 At the date of Liquidation the previous Liquidator held the sum of £1,300 75 in respect of the sale of stock during the hiatus period carried on by the Directors Mr Daljit Singh and Mr Tejinder Singh
- 2 3 The Company's assets were independently valued by Fox Lloyd Jones and a sale of the fixtures and fittings and stock to B K Manget t/a Todays Local, for the sum of £5,000 plus Vat was agreed Daljit Singh, the former Director of the Company is the owner of BK Manget An invoice was raised by Fox Lloyd Jones in this regard on 30 April 2010 Initially the sum of £4,867 14 was received from the purchaser who subsequently ceased to trade The account was passed to my collection agents, Debt Collection Services Ltd, who continued to collect the outstanding instalments The treatment of VAT on this transaction has been under review during the reporting period I can confirm that the sum of £5,000 plus VAT has been collected in full
- 2 4 Additionally, I have received gross bank interest totalling £3 86
- 2 5 Total estate asset realisations achieved total £6,304 61

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 for Business Innovation & Skills 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 held a fixed and floating charge debenture over the assets of the Company created on 8 June 2004 and registered on 10 June 2004. The Bank also holds Personal Guarantees provided by the Directors. No monies have been paid to the Bank under the terms of its security.

Preferential Creditors

- 4 2 There are no preferential creditors in this Liquidation.

Unsecured Creditors

- 4 2 The Liquidator has received claims totalling £46,157.63 from eight creditors. I have yet to receive claims from 12 creditors whose debts total £90,889.86 per the Directors' Statement of Affairs.

Notice of No Dividend

- 4 3 Assets realised have been and will be utilised fully in contributing towards defraying the administrative costs of the liquidation.
- 4 4 As noted in my annual report dated 7 March 2012, Formal Notice was given in accordance with Rule 11.7 that no funds are expected to become available to enable any form of distribution to be made to any class of creditor.

5 Liquidator's Remuneration

Basis of the Liquidator's remuneration

- 5 1 At the initial meeting of creditors held pursuant to Section 98 of the Act on 3 February 2010 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 his disbursements would be drawn in accordance with Walsh Taylor's standard tariff (see Appendix D).

5 2 Apart from a small increase in stationery charges to reflect the increased costs associated therein, there have been no increases to Walsh Taylor's charge out rates or disbursement tariff since then

5 3 The aforementioned bases of remuneration and disbursements also apply to myself as successor Liquidator

Remuneration charged and disbursements incurred

5 4 In aggregate, the Liquidator's post liquidation time costs as at 2 February 2015 total £19,842 58 in respect of 127 72 hours at an average hourly rate of £155 36 As at the date of this report, no monies have been drawn by way of Liquidator's remuneration

5 5 I comment specifically that at the first meeting of creditors held on 3 February 2010 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 £5,000 plus VAT, to be paid out of the assets of the Company, together with disbursements incurred

5 6 The sum of £4,374 24 has been drawn in this respect

Creditors' Guide to Fees and Statement of Creditors' rights

5 7 If you require any further information with respect to a Liquidator's remuneration, disbursements and expenses, please see Appendix D This document also includes a statement of creditors' rights

6 Matters outstanding

6 1 Asset realisations have been concluded

6 2 Accordingly, I estimate closing the Liquidation within the next three months when the final formalities have been dealt with

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

**Receipts & Payments Account for the Period 3 February 2014 to 2 February
2015 and for the Liquidation as a whole**

Appendix A

T.D. Trading Limited
(In Liquidation)

LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 03/02/2014 To 02/02/2015 £	From 03/02/2010 To 02/02/2015 £
RECEIPTS			
Fixtures and fittings	1,000 00	0 00	0 00
Stock	4,000 00	0 00	5,000 00
Cash in the hands of accountants	1,300 75	0 00	1,300 75
Bank Interest Gross		0 50	3 86
		<u>0 50</u>	<u>6,304 61</u>
PAYMENTS			
Company Search		0 00	8 00
Specific Bond		0 00	134 00
Preparation of S of A		0 00	4,374 24
Mileage		0 00	21 00
Cred Meeting Expenses		0 00	87 13
Agents/Valuers Fees (1)		0 00	483 50
Agents/Valuers Fees (2)		0 00	621 20
Stationery & Postage		0 00	133 18
Statutory Advertising	(220 33)	0 00	187 51
Employee Arrears/Hol Pay	(5,530 00)	0 00	0 00
HSBC Bank Plc	(56,815 00)	0 00	0 00
Trade & Expense Creditors	(58,779 00)	0 00	0 00
Employees	(3,875 00)	0 00	0 00
HMRC - Corporation Tax	(22,000 00)	0 00	0 00
2 Ordinary shares of £1 each	(2 00)	0 00	0 00
		<u>0 00</u>	<u>6,049 76</u>
Net Receipts/(Payments)		<u>0 50</u>	<u>254 85</u>
MADE UP AS FOLLOWS			
Bank Current a/c		0 50	602 68
VAT Receivable / (Payable)		0 00	(347 83)
		<u>0 50</u>	<u>254 85</u>

Time Analysis for the Period 3 February 2014 to 2 February 2015 and for the Liquidation as a whole

Appendix B

Time Entry - SIP9 Time & Cost Summary

TDT0001 - T D Trading Limited
All Post Appointment Project Codes
From 03/02/2010 To 02/02/2015

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Cashier	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	5.40	19.00	0.00	59.90	0.30	84.60	13,446.50	158.94
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashier	1.50	2.60	0.00	24.10	6.62	34.82	4,965.58	142.62
Creditors	0.00	0.50	0.00	1.40	0.00	1.90	286.00	150.53
Investigations	0.00	0.00	0.00	5.90	0.00	5.90	930.00	157.63
Realisation of Assets	0.00	2.90	0.00	12.20	0.00	15.10	2,478.00	164.11
Trading	0.00	0.40	0.00	0.00	0.00	0.40	72.00	180.00
Total Hours	6.90	25.40	0.00	103.50	6.92	142.72	22,178.08	155.40
Total Fees Claimed							0.00	
Total Disbursements Claimed							0.00	

Time Entry - SIP9 Time & Cost Summary

TDI0001 - T D Trading Limited
All Post Appointment Project Codes
From 03/02/2014 To 02/02/2015

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Cashier	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	0.50	3.60	0.00	9.30	0.00	13.40	2,095.50	156.38
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashier	0.00	0.00	0.00	1.00	0.00	1.00	139.00	139.00
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	0.10	0.00	0.00	0.00	0.10	22.00	220.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	0.50	3.70	0.00	10.30	0.00	14.50	2,256.50	155.62
Total Fees Claimed							0.00	
Total Disbursements Claimed							0.00	

T.D. TRADING LIMITED – IN LIQUIDATION – THE COMPANY

NOTICE CONVENING ANNUAL MEETINGS OF CREDITORS & MEMBERS

PURSUANT TO S.106 INSOLVENCY ACT 1986

NOTICE IS HEREBY GIVEN that annual meetings of members and creditors of the Company will be held at the offices of Walsh Taylor, Oxford Chambers, Oxford Road, Guiseley, Leeds, LS20 9AT on 1 July 2015 at 11 00am and 11 30am respectively, for the purposes of receiving a report and account by the liquidator showing the manner in which the winding-up of the Company has been conducted, the property of the Company disposed of and to receive any explanation regarding the conduct of the liquidation

The following resolutions will be put to the meeting

- a) That the Liquidator's Receipts and Payments account to 2 February 2015 and annual report be approved,

A dividend will not be paid to the creditors as there were insufficient funds to meet the claims of secured and preferential creditors and the costs and expenses of the liquidation

A member or creditor entitled to attend and vote at the above meetings may appoint a proxy to attend and vote in his place. It is not necessary for the proxy to be a member or creditor. Proxy forms must be returned to the offices of Walsh Taylor at the above address by no later than 12 00noon on 30 June 2015

DATED THIS 9th day of June 2015

Kate E Breese
Liquidator



Proxy - Creditors' Voluntary Winding Up

TD Trading Limited – in Liquidation

Details of Creditor

Name of Creditor _____

Address _____

Post Code _____

Insert name of person (who must be 18 or over) or the Chairman of the Meeting. If you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well.

Delete words in brackets if the proxy holder is only to vote as directed i.e. he has no discretion.

Name of Proxy Holder

1 _____

2 _____

3 _____

I appoint the above person to be my/the creditor's proxy holder at the meeting of creditors to be held on 1 July 2015, or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion).

Proposed Resolutions

Voting Instructions for resolutions

* Delete as appropriate

1 The liquidator's annual report and receipts and payments account be approved
For / Against *

This form must be signed

Signature _____ Date _____

Name in CAPITAL LETTERS _____

Only to be completed if the creditor has not signed in person

Position with creditor or relationship to creditor or other authority for signature

PROOF OF DEBT - GENERAL FORM**In the matter of TD Trading Limited****In Liquidation
and in the matter of The Insolvency Act 1986**

Date of Resolution for voluntary winding up 3 February 2010

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, 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 fixing bases of remuneration

- 6 1 1 When seeking agreement for the basis or bases of remuneration, the liquidator should provide sufficient supporting information to enable the committee or the creditors to make an informed judgement as to whether the basis sought is appropriate having regard to all the circumstances of the case. The nature and extent of the information provided will depend on the stage during the conduct of the case at which approval is being sought. The appendix to this guide sets out a suggested format for the provision of information.
- 6 1 2 If any part of the remuneration is sought on a time costs basis, the liquidator should provide details of the minimum time units used and current charge-out rates, split by grades of staff, of those people who have been or who are likely to be involved in the time costs aspects of the case.
- 6 1 3 The liquidator should also provide details and the cost of any work that has been or is intended to be sub-contracted out that could otherwise be carried out by the liquidator or his or her staff.
- 6 1 4 If work has already been carried out, the liquidator should state the proposed charge for the period to date and provide an explanation of what has been achieved in the period and how it was achieved, sufficient to enable the progress of the case to be assessed and whether the proposed charge is reasonable in the circumstances of the case. Where the proposed charge is calculated on a time costs basis, the liquidator should disclose the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. The liquidator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the liquidator or his or her staff.

6 2 After the bases of remuneration have been fixed

The liquidator is required to send progress reports to creditors at specified intervals (see paragraph 7 1 below). When reporting periodically to creditors, in addition to the matters specified in paragraph 7 1, the liquidator should provide an explanation of what has been achieved in the period under review and how it was achieved, sufficient to enable the progress of the case to be assessed. Creditors should be able to understand whether the remuneration charged is reasonable in the circumstances of the case (whilst recognising that the liquidator must fulfil certain statutory obligations and regulatory requirements that might be perceived as bringing no added value for the estate). Where any remuneration is on a time costs basis, the liquidator should disclose the charge in respect of the period, the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. If there have been any changes to the charge-out rates during the period under review, rates should be disclosed by grades of staff, split by the periods applicable. The liquidator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the liquidator or his or her staff.

6 3 Disbursements and other expenses

- 6 3 1 Costs met by and reimbursed to the liquidator in connection with the liquidation should be appropriate and reasonable. Such costs will fall into two categories:
- **Category 1 disbursements** These are costs where there is specific expenditure directly referable both to the liquidation and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the liquidator or his or her staff.

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

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

6.3.2 The following are not permissible

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

6.4 Realisations for secured creditors

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

7 Progress reports and requests for further information

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

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

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

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

- the time and cost involved in preparing the information would be excessive, or

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

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

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

8. Provision of information – additional requirements

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

The information which must be provided is –

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

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the liquidator's appointment, or where he has vacated office, the date that he vacated office

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

9 What if a creditor is dissatisfied?

- 9 1 Except in cases where there is a liquidation committee it is the creditors as a body who have authority to approve the liquidator's fees. To enable them to carry out this function they may require the liquidator to call a creditors' meeting. In order to do this at least ten per cent in value of the creditors must concur with the request, which must be made to the liquidator in writing
- 9 2 If a creditor believes that the liquidator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the liquidator are in all the circumstances excessive he may, provided certain conditions are met, apply to the court
- 9 3 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the liquidator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 7 1 above). If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the liquidator a copy of the application and supporting evidence at least 14 days before the hearing
- 9 4 If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not out of the assets of the insolvent company

10 What if the liquidator is dissatisfied?

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

11 Other matters relating to remuneration

- 11.1 Where the liquidator realises assets on behalf of a secured creditor he is entitled to be remunerated out of the proceeds of sale in accordance with a scale set out in the Rules. Usually, however, the liquidator will agree the basis of his fee for dealing with charged assets with the secured creditor concerned.
- 11.2 Where two (or more) joint liquidators are appointed it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute between them may be referred to the court, the committee or a meeting of creditors.
- 11.3 If the appointed liquidator is a solicitor and employs his own firm to act in the insolvency, profit costs may not be paid unless authorised by the committee, the creditors or the court.
- 11.4 If a new liquidator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new liquidator until a further determination, resolution or court order is made.
- 11.5 Where the basis of the remuneration is a set amount, and the liquidator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing liquidator. The application must be made to the same body as approved the remuneration. Where the outgoing liquidator and the incoming liquidator are from the same firm, they will usually agree the apportionment between them.
- 11.6 There may also be occasions when creditors will agree to make funds available themselves to pay for the liquidator to carry out tasks which cannot be paid for out of the assets, either because they are deficient or because it is uncertain whether the work undertaken will result in any benefit to creditors. Arrangements of this kind are sometimes made to fund litigation or investigations into the affairs of the insolvent company. Any arrangements of this nature will be a matter for agreement between the liquidator and the creditors concerned and will not be subject to the statutory rules relating to remuneration.

12 Effective date

This guide applies where a company goes into liquidation on or after 1 November 2011.

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