

## The Insolvency Act 1986

## Liquidator's Progress Report

S. 192

Pursuant to Sections 92A, 104A and 192 of the  
Insolvency Act 1986

To the Registrar of Companies

Company Number

05447341

Name of Company

(a) Insert full name  
of company

(a) A G M Recruitment Ltd

(b) Insert full  
names and  
addressesWe,  
Peter William Gray  
8 High Street  
Yarm  
Stockton on Tees TS15 9AEAndrew Little  
8 High Street  
Yarm  
Stockton on Tees TS15 9AEthe Liquidators of the company, attach a copy of our statement of receipts and payments  
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 30 January 2015 to 29 January 2016

Signed

Andrew Little

Dated

24/3/2016

Presenters name  
address and  
reference if anyRowlands Restructuring & Insolvency  
8 High Street, Yarm, Stockton on Tees TS15 9AE  
Ref A1107

SATURDAY

\*A53L2OZF\*  
A27 26/03/2016 #160  
COMPANIES HOUSE

Company Number 05447341

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

Name of Company	A G M Recruitment Ltd
Company Registered Number	05447341
State whether members' or creditors' voluntary winding up	Creditors Voluntary Liquidation
Date of commencement of winding up	30 January 2015
Date to which this statement is brought down	29 January 2016

Name and Address of Liquidators

Name	Peter William Gray
At the office of	Rowlands Restructuring & Insolvency
Address	8 High Street Yarm Stockton on Tees TS15 9AE
Name	Andrew Little
At the office of	Rowlands Restructuring & Insolvency
Address	8 High Street Yarm Stockton on Tees TS15 9AE

Company Number 05447341

**REALISATIONS**

<b>Date</b>	<b>Receipts From</b>	<b>Nature of receipts or payments/explanation</b>	<b>Total £</b>
30/01/15	Walter Granville Ltd	Debtors (Pre-Appointment)	7,500 00
02/02/15	L & W Shellfish	Debtors (Pre-Appointment)	1,853 66
02/03/15	L & W Shellfish	Debtors (Pre-Appointment)	1,953 89
06/03/15	L & W Shellfish	Debtors (Pre-Appointment)	1,242 77
12/03/15	L & W Shellfish	Debtors (Pre-Appointment)	1,904 22
13/03/15	John Morfield Ltd	Debtors (Pre-Appointment)	249 60
31/03/15	Natwest	Bank Interest Gross	6 40
26/05/15	HMRC	VAT Control VAT Paid (Received)	672 80
30/06/15	Natwest	Bank Interest Gross	7 32
01/10/15	Natwest	Bank Interest Gross	4 73
31/12/15	Natwest	Bank Interest Gross	2 84
<b>Total realisations carried forward to next abstract:</b>			<b>15,398.23</b>

**DISBURSEMENTS**

<b>Date</b>	<b>Payments To</b>	<b>Nature of receipts or payments/explanation</b>	<b>Total £</b>
09/02/15	Rowlands	Specific Bond	(115 20)
09/02/15	Rowlands	Preparation of Statement of Affairs	(3,600 00)
13/02/15	Courts Advertising	Statutory Advertising	(321 60)
08/05/15	Rowlands	Bank Charges	(104 92)
08/05/15	Rowlands	Company Search	(7 20)
08/05/15	Rowlands	Fees Liquidator Fees	(6,000 00)
08/05/15	Rowlands	Mileage	(26 52)
04/09/15	Rowlands	Fees Liquidator Fees	(2,400 00)
			0 00
<b>Total disbursements carried forward to next abstract:</b>			<b>(12,575 44)</b>

Company Number 05447341

Analysis of balance

	£	£
Total realisations	15,398 23	
Total disbursements	(12,575 44)	
Net Realisations		2,822 79
Post Appointment Sales	0 00	
Post Appointment Expenditure	0 00	
Trading Surplus (Deficit)		0 00
Balance held		<u>2,822 79</u>
This balance is made up as follows		
1 Cash in hands of liquidator		0 00
2 Balance at bank		2,822 79
3 Amount in Insolvency Services Account		0 00
4 Amounts invested by liquidator	0 00	
Less The cost of investments realised	<u>0 00</u>	
Balance		0 00
5 Accrued Items		0 00
Total Balance as shown above		<u><u>2,822 79</u></u>

Company Number 05447341

## Statements by Liquidator

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)	40,000 00
Liabilities - Fixed charge creditors	(53,000 01)
Floating charge holders	(13,000 01)
Preferential creditors	0 00
Unsecured creditors	(162,187 18)

The total amount of the capital paid up at the date of the commencement of the winding up

£

Paid up in cash	10 00
Issued as paid up otherwise than for cash	0 00

The general description and estimated value of any outstanding assets

Asset Type	Estimated To Realise
Accounts Receivable (Pre-Appointment)	4,000 00
Directors Loan Account	Uncertain
<b>Total</b>	<b>4,000.00</b>

Reasons why the winding up cannot yet be concluded

There remain debtors to collect

The period within which the winding up is expected to be completed

12 month(s)

**A.G.M. RECRUITMENT LTD - IN LIQUIDATION**

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**JOINT LIQUIDATORS' PROGRESS REPORT**  
**FOR THE PERIOD 30 JANUARY 2015 TO 29 JANUARY 2016**

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**PETER WILLIAM GRAY AND ANDREW LITTLE**  
**JOINT LIQUIDATORS**

**APPOINTED 30 JANUARY 2015**

**ROWLANDS RESTRUCTURING & INSOLVENCY**  
**8 HIGH STREET**  
**YARM**  
**STOCKTON ON TEES, TS15 9AE**

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## 1. PURPOSE OF REPORT

This report has been prepared in accordance with insolvency legislation to provide creditors, members and the registrar of companies with information relating to the progress of the liquidation in the period from 30 January 2015 to 29 January 2016

This report has been prepared solely to comply with the statutory requirements of Section 104A of the Insolvency Act 1986, as amended ("the Act") and Rule 4.49C of the Insolvency Rules 1986, as amended ("the Rules"). It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the company. Any estimated outcomes for creditors are illustrative and may be subject to significant change. Neither the Liquidators nor Rowlands Restructuring & Insolvency accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this report.

## 2. PROGRESS OF THE LIQUIDATION

### 2.1 Realisation of Assets \ Sale of Business

#### Debtors (Pre-appointment)

The director's Statement of Affairs indicated that the Company had book debts of £39,000 with an estimated to realise value of £20,000. To date the Joint Liquidators have managed to realise £14,704.14. They are continuing to pursue a further £12,232.39 and are considering if it may be necessary to place this in the hands of debt collectors as we have been unsuccessful in collecting the amounts outstanding. We do not consider this debt as uncollectable.

There is also a debt of £900.00 owing from a connected company in relation to a sale of assets that took place prior to the date of liquidation. The Joint Liquidators have pursued this debt but have received no response to any correspondence. We now intend to put this matter in the hands of debt collection agents.

#### Director's overdrawn loan account

The director's overdrawn loan account had a balance of £107,100 according to the Statement of Affairs. It was uncertain what realisations may be made in relation to this. The Joint Liquidators have to date been unable to make any realisation. The director has not responded to any correspondence from the Joint Liquidators and it is now our intention to instruct solicitors to advise as to the best way to realise funds in relation to this debt.

#### Bank Interest

During the period, bank interest of £21.29 has been received. HMRC will be notified accordingly and where appropriate any tax paid.

### 2.2 Investigations

The Joint Liquidators have managed to collect some of the company books and records although they are of the belief that they are not complete. They have requested the director deliver up all Company records but these requests have gone unanswered.

Creditors have been given the opportunity to bring any matters they see fit to the attention of the Joint Liquidators and the director was given the opportunity to complete a director's questionnaire.

The Joint Liquidators have reviewed all information and records that they have in their possession in accordance with their statutory duties and Statement of Insolvency Practice 2.

In accordance with our statutory obligations, the Joint Liquidators have filed the appropriate documentation with the Department for Business, Innovation and Skills in relation to the conduct of the directors

The contents of the report are confidential in order that any potential future action is not prejudiced

### 2.3. Administration and Planning

Following their appointment the Joint Liquidators filed notice of their appointment with Companies House, together with a copy of the Statement of Affairs and the resolutions that were passed at the members meeting. They also notified all creditors and advertised their appointment in the London Gazette. A case file was set up together with a liquidation bank account. A record of all receipts and payments have been kept and these have been reconciled with the bank account.

## **3. ASSETS REMAINING TO BE REALISED**

### Debtors (Pre-appointment)

The Joint Liquidators intend to take instruct debt recovery agents in relation to the collection of the remaining book debts. These currently stand at £13,132.39.

### Director's overdrawn loan account

The Joint Liquidators will be seeking legal advice as to the best way forward to realise this debt. They will also look to clarify the ultimate amount owing. They are unsure if there are any realisations that can be made in this regard.

## **4. CREDITORS' CLAIMS AND DIVIDEND PROSPECTS**

### 4.1 Secured Creditors

Bibby Financial Services have a fixed and floating charge registered at Companies House dated 10 December 2012 in relation to a debt factoring agreement. To date the Joint Liquidators have received no claim.

### 4.2 Preferential Creditors

There are no preferential creditors.

### 4.3 Unsecured Creditors

Following their appointment the Joint Liquidators notified all known creditors and requested that they submit a claim in the Liquidation. To date claims totalling £149,384.96 have been received. The Company records indicate that further claims are yet to be made.

The agreement of creditors' claims by the Joint Liquidators is a separate matter and will be dealt with as appropriate in due course, initially by reference to the proofs of debt lodged in the proceedings by creditors themselves.

### 4.4 Prescribed Part

The "Prescribed Part" is a statutory amount, calculated as a percentage of net floating charge realisations, which entitles unsecured creditors to a share of realisations. This is calculated on a sliding scale up to maximum of £600,000 before costs.

At the time of this report, whilst there are creditors secured by fixed and qualifying floating charges over the assets and undertaking of the Company, those creditors will

receive no recovery under their floating charges. There is therefore no requirement to estimate the amount of the Prescribed Part of the assets under Section 176A of the Act

## **5. RECEIPTS AND PAYMENTS SUMMARY**

We attach as Appendix B a summary of our receipts and payments for the period from 30 January 2015 to 29 January 2016

### **5.1 VAT Basis**

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue and Customs shown separately

## **6. COSTS AND JOINT LIQUIDATORS' REMUNERATION**

### **6.1 Joint Liquidators' Remuneration and Disbursements**

The Joint Liquidators' remuneration was approved on a time cost basis by creditors on 30 January 2015. We have incurred time costs of £9,938.80 plus VAT since the date of our appointment at an average hourly rate of £179.73. Of this, a total of £7,000.00 has been paid and £2,938.80 remains outstanding.

An analysis of time incurred is attached at Appendix G.

Approval was also given to the drawing of disbursements, including category 2 disbursements. Details of the current rates are attached at Appendix D.

Category 2 disbursements incurred in the period are detailed in Appendix E.

A copy of "A Creditors' Guide to Liquidator's Fees", issued by the Association of Business Recovery Professionals, which sets out the basis of fixing the Liquidator's Remuneration, is available at

<http://rowlandsaccountants.co.uk/downloads/restructuring-and-insolvency/fee-guidance/guides-relating-to-cases-opened-between-november-2011-and-october-2015>

Please let me know if you would prefer a hard-copy of this guide.

## **7. JOINT LIQUIDATORS' STATEMENT OF EXPENSES**

A statement of the expenses incurred during the period, is attached at Appendix F. This includes all expenses incurred by the Joint Liquidators in the period of the report irrespective of whether they have been paid or not and may include estimated amounts where actual invoices have not been received. The receipts and payments abstract at Appendix B sets out the expenses actually paid in the period.

At the Section 98 meeting on 30 January 2015 creditors approved a fee of £3,000 + VAT be paid to Restructuring & Insolvency in respect of the preparation of the Statement of Affairs and the calling of and preparation for the meetings of members and creditors. These fees have been paid.

### **7.1 Detailed cost breakdown**

Attached to this report are three Appendices relating to my costs on this assignment:

- Appendix C: A copy of Rowlands Restructuring & Insolvency's statement on remuneration and expenses in insolvency proceedings,
- Appendix D: Joint Liquidators' charge out and disbursement rates, and
- Appendix G: Joint Liquidators' time cost analysis

The work that we do as Joint Liquidators is derived from the responsibilities placed upon us by the underlying legal and regulatory framework for work of this nature in general.

The actual matters with which we are dealing are set out briefly in both this report and in our earlier reports to creditors

We believe this case generally to be of average complexity, and accordingly no extraordinary responsibility has to date fallen upon us as Joint Liquidators. The underlying basis of charging proposed to and approved by the creditors has been Rowlands Restructuring & Insolvency standard charge out rates. Rowlands Restructuring & Insolvency charge out rates have been reviewed periodically.

**8. CREDITORS' RIGHT TO INFORMATION AND ABILITY TO CHALLENGE REMUNERATION AND EXPENSES**

In accordance with the provisions of Rules 4.49E and 4.131 of the Rules, creditors have a right to request further information about remuneration or expenses and to challenge such remuneration or expenses.

A request for further information must be made in writing within 21 days of receipt of this report.

Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to court that the remuneration charged, the basis fixed or expenses incurred by the liquidator are in all the circumstances excessive.

Any such challenge must be made no later than eight weeks after receipt of the report which first discloses the charging of remuneration or incurring of the expenses in question.

Should you have any further queries please do not hesitate to contact me



**ANDREW LITTLE**  
**ROWLANDS RESTRUCTURING & INSOLVENCY**  
**JOINT LIQUIDATOR**

Andrew Little and Peter William Gray are licensed to act as Insolvency Practitioners in the UK by the Insolvency Practitioners Association.

**COMPANY INFORMATION**

Company Name	A.G.M. Recruitment Ltd
Company Number.	05447341
Date of Incorporation	09/05/2005
Previous Company Names	N/A
Trading Name.	N/A
Trading Address	Stockton Business Centre 70 Brunswick Street Stockton-On-Tees TS18 1DW
Principal Activity	Recruitment Company
Registered Office	8 High Street Yarm Stockton on Tees TS15 9AE
Previous Registered Office	Swift House Falcon Court Preston Farm Stockton on Tees TS18 3TX
Date Registered Office changed	17 Feb 2015
Functions	<p>The Joint Liquidators' appointment specified that they would have power to act jointly and severally</p> <p>The Joint Liquidators' have exercised, and will continue to exercise, all of their functions jointly and severally as stated in the notice of appointment</p>

Appendix B

RECEIPTS AND PAYMENTS ACCOUNT

SOA Value £		30/01/2015 to 29/01/2016 £	£
	SECURED ASSETS		
40,000 00	Factored book debts	0 00	0 00
	SECURED CREDITORS		
(53,000.01)	Fixed Charge Claims	0 00	0 00
	ASSET REALISATIONS		
0 00	Bank Interest Gross	21.29	
20,000 00	Debtors (Pre-Appointment)	14,704.14	
0.01	Directors overdrawn loan account	0 00	14,725 43
	COST OF REALISATIONS		
0 00	Bank Charges	(87 43)	
0 00	Company Search	(6.00)	
0 00	Liquidator Fees	(7,000.00)	
0 00	Mileage	(22 10)	
0 00	Preparation of Statement of Affairs	(3,000 00)	
0 00	Specific Bond	(96 00)	
0 00	Statutory Advertising	(268 00)	(10,479 53)
	FLOATING CHARGE CREDITORS		
(13,000 01)	Floating Charge Claims	0.00	0 00
	UNSECURED CREDITORS		
(20,396 86)	Banks/Institutions	0.00	
(0.02)	Deficiency In Security	0 00	
(127,362 47)	HM Revenue and Customs	0 00	
(14,427 83)	Trade and Expense Creditors	0 00	0 00
	EQUITY		
(10 00)	Ordinary	0 00	0.00
(168,197.19)			4,245 90
	REPRESENTED BY		
	Estate Current Account	2,822 79	
	VAT Receivable (Payable)	1,423 11	4,245 90
			4,245 90

## **FEE RECOVERY POLICY**

### **INTRODUCTION**

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court.

Further information about creditors rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorsinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency 9 (SIP 9) and can be accessed at [www.rowlandsaccountants.co.uk](http://www.rowlandsaccountants.co.uk). Alternatively a hard copy may be requested from Rowlands, 8 High Street, Yarm, Stockton on Tees, TS15 9AE or [insolvency@rowlandsaccountants.co.uk](mailto:insolvency@rowlandsaccountants.co.uk). Please note that we have provided further details in this policy document.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn. If approval has been obtained for remuneration on a time costs basis, i.e. by reference to time properly spent by members of staff of the practice at our standard charge out rates, the time incurred will also be disclosed, whether drawn or not, together with the average, or "blended" rates of such costs. Under the legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

### **Time cost basis**

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

### **Chargeout Rates**

<b>Grade</b>	<b>Rate (£) per hour (effective from 23 November 2015)</b>	<b>Rates (£) per hour (previous maximum rates)</b>
Partner	260	250
Associate / Director	200	200
Manager	140	140
Case Handler / Administrator	75	90
Case support staff	30	30

These charge-out rates charged are reviewed each year and are adjusted to take account of inflation and the firm's overheads.

## A.G.M. Recruitment Ltd - In Liquidation

### Progress report

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Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration and Planning
- Investigations
- Realisation of Assets
- Creditors
- Trading
- Case specific matters

In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and on new appointments we now only seek time costs for the following categories:

- Investigations
- Distributions
- Trading

When we seek time costs approval we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate, any additional work undertaken, or proposed to be undertaken, the hourly rates proposed for each part of the work, and the time that the additional work is expected to take. As with the original estimate, we will say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

#### Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a percentage basis more often. A report accompanying any fee request will set out the potential assets in the case, the remuneration percentage proposed for any realisations and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.



The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court

#### **Fixed fee**

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a fixed fee basis more often. A report accompanying any fee request will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court

#### **Members' voluntary liquidations and Voluntary Arrangements**

The legislation changes that took effect from 1 October 2015 did not apply to members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

#### **All bases**

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

#### **Agent's Costs**

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes

- Solicitors/Legal Advisors

- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

In new appointments made after 1 October 2015, the office holder will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

### **Disbursements**

In accordance with SIP 9 the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or Rowlands Accountants, in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and Company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

Rowlands Accountants do not typically recharge expenses disbursement which include an element of shared or allocated costs of internal facilities such as stationery, room hire, communication facilities, printing, internal document storage etc.

**Appendix D**

**ROWLANDS RESTRUCTURING & INSOLVENCY**

**JOINT LIQUIDATORS' DISBURSEMENTS IN THE PERIOD FROM 30 JANUARY  
2015 TO 29 JANUARY 2016**

Recipient, Type and Purpose	Category	Paid	Unpaid
		£	£
Company Search	1	6.00	
Mileage	2	22 10	
Specific Bond	1	96 00	
<b>Total</b>		124 10	

**Appendix E**

**STATEMENT OF EXPENSES INCURRED BY THE JOINT LIQUIDATORS' IN THE  
PERIOD FROM 30 JANUARY 2015 TO 29 JANUARY 2016**

<b>Type and Purpose</b>	<b>Incurred in Period</b>
	<b>£</b>
Bank Charges	87.43
Statutory Advertising	268.00
<b>Total</b>	<b>355.43</b>

**JOINT LIQUIDATORS' TIME COST ANALYSIS**

**FOR THE PERIOD FROM 30 JANUARY 2015 TO 29 JANUARY 2016**

	Hours Spent					Time Costs £
	Partner	Associate	Manager	Admini- strator	Assistants & Support Staff	Total
Administration and planning	3 00	17 40	0 00	0 00	0 00	20 40
Investigations	0 00	15 20	0 00	0 00	0 00	15 20
Realisation of assets	1 60	11 80	0 00	0 00	0 00	13 40
Trading	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	1 00	3 50	0 00	0 00	1 80	6 30
Case specific Matters	0 00	0 00	0 00	0 00	0 00	0 00
<b>Total hours</b>	5 60	47 90	0 00	0 00	1 80	55 30
<b>Total time costs</b>	1,416 00	8,485 00	0 00	0 00	37 80	9,938 80

**NOTE:** Please see the attached notes to the time analysis for an explanation of the type of work that is commonly undertaken in respect of each of the categories above.

## **NOTES TO APPENDIX F**

### **JOINT LIQUIDATORS' TIME COST ANALYSIS**

#### **Administration and Planning**

This includes dealing with the commencement of the case administration, together with day-to-day case administration duties, maintenance of records and ongoing statutory obligations. These include but are not limited to: handling receipts and payments, VAT and Income tax issues; pension queries and general correspondence. Other matters which are required to be dealt with as part of the appointment and which will fall under this heading include case planning and strategy, case reviews, bonding, maintenance and obtaining books and records, general meetings \ correspondence, statutory and other advertising, insurance, re-directed mail, and statutory reports.

#### **Investigations**

Where appropriate this will include such matters as investigation of pre-appointment transactions in accordance with the relevant Statement of Insolvency Practice (SIP 2), and the investigation of any potential antecedent transactions such as transactions at under value and preferences which may result in legal action resulting in a recoverable asset

#### **Realisation of Assets**

This includes dealing with all aspects of the realisation of assets including identifying, securing and insuring assets, and (where applicable), property, business and asset sales, retention of title claims and debt collection. Other matters dealt with during the case administration which will relate to asset realisation may commonly include effecting disclaimers, dealing with landlords, liaising with agents, undertaking inventories, meetings with purchasers \ directors, arranging collection of leased assets, obtaining insurance, pursuing antecedent claims identified as part of the investigation work set out above. Details of the specific asset realisation work undertaken on this case are set out in the main body of the report. Asset realisation is considered to be a key aspect of the case administration.

#### **Trading**

Where the business of the company has been traded (by the liquidator(s)) following the appointment our staff will have had to set up accounts with suppliers in order to trade on an ongoing basis. Payments to suppliers and general correspondence with these have been undertaken. Where trading has ceased, accounts will have been closed and final bills paid. Other matters will also have been dealt with in accordance with the usual trading obligations such as dealing with employees and payroll.

#### **Creditors**

Queries from and correspondence with creditors and employees have been necessary aspects of the case administration process. Reports to creditors are also an important part of ongoing matters relating to this aspect of the case.

#### **Case Specific Matters**

Any case specific matters will generally be set out in the body of the report but will commonly include meetings, correspondence and telephone calls relating to specific issues in the case which do not fall into any the categories set out above and are specific to the case in question. This may include work done in relation to litigation, general advice or other major issues

**EXTRACTS FROM THE INSOLVENCY RULES 1986, AS AMENDED**

**4.49E Creditors' and members' request for further information**

- (1) If—
  - (a) within the period mentioned in paragraph (2)—
    - (i) a secured creditor, or
    - (ii) an unsecured 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 4.49B(1)(e) or (f) (including by virtue of Rule 4.49C(5)) or in a draft report under Rule 4.49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter in a draft report under Rule 4.49D or a progress report required by Rule 4.108 which (in either case) was previously included in a progress report not required by Rule 4.108.
- (2) The period referred to in paragraph (1)(a) and (b) is—
  - (a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4.108, and
  - (b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case
- (3) The liquidator complies with this paragraph by either—
  - (a) providing all of the information asked for, or
  - (b) so far as the liquidator considers that—
    - (i) the time or cost of preparation of the information would be excessive, or
    - (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
    - (iii) the liquidator is subject to an obligation of confidentiality in respect of the information,giving reasons for not providing all of the information
- (4) Any creditor, and any member of the company in a members' voluntary winding up, who need not be the same as the creditors or members who asked for the information, may apply to the court within 21 days of—
  - (a) the giving by the liquidator of reasons for not providing all of the information asked for, or
  - (b) the expiry of the 14 days provided for in paragraph (1),and the court may make such order as it thinks just

- (5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks or, as the case may be, 4 weeks provided for in Rule 4.131(1B) or 4.148C(2) by such further period as the court thinks just
- (6) This Rule does not apply where the liquidator is the official receiver.

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

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application may be made on the grounds that—
  - (a) the remuneration charged by the liquidator,
  - (b) the basis fixed for the liquidator's remuneration under Rule 4.127, or
  - (c) expenses incurred by the liquidator,is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate.
- (1B) The application must, subject to any order of the court under Rule 4.49E(5), be made no later than 8 weeks (or, in a case falling within Rule 4.108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4.49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice but which is without notice to any other party

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

- (3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
  - (a) an order reducing the amount of remuneration which the liquidator was entitled to charge,
  - (b) an order fixing the basis of remuneration at a reduced rate or amount,
  - (c) an order changing the basis of remuneration,
  - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation;
  - (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation.