

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

05448545

Name of Company

1A Seal Systems Limited

1/ We

Simon Franklin Plant
9 Ensign House
Admirals Way
Marsh Wall
London
E14 9XQ

Daniel Plant
9 Ensign House
Admirals Way
Marsh Wall
London
E14 9XQ

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 21/06/2012 to 20/06/2013

Signed

Date

08/07/13

S F P
9 Ensign House
Admirals Way
Marsh Wall
London
E14 9XQ

Ref ASE0002/SFP/DXP

WEDNESDAY



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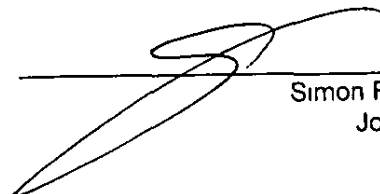
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COMPANIES HOUSE

1A Seal Systems Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 21/06/2012 To 20/06/2013
	ASSET REALISATIONS	
	Book Debts	18,213 42
11,909 44	Surplus VAT from Administration	11,909 44
2,501 55	Transfer of funds from Administration	2,501 55
	Bank Interest Gross	3 79
		<u>32,628 20</u>
	COST OF REALISATIONS	
	Surplus Admin SFPF Fees	3,000 00
	Pension Advice	409 16
	SFP Forensic	2,500 00
	Surplus Joint Admin Disb	217 15
	Surplus Joint Admin Fees	19,250 00
	Professional Fees	250 00
	Agents/Valuers Fees	1,050 00
	Debt Recovery Fees	4,127 38
	Statutory Advertising	76 50
		<u>(30,880 19)</u>
	PREFERENTIAL CREDITORS	
(12,791 00)	Employees	<u>NIL</u>
		<u>NIL</u>
	UNSECURED CREDITORS	
(270,241 45)	Trade & Expense Creditors	<u>NIL</u>
		<u>NIL</u>
	DISTRIBUTIONS	
(100 00)	Ordinary Shareholders	<u>NIL</u>
		<u>NIL</u>
<u>(268,721 46)</u>		<u><u>1,748.01</u></u>
	REPRESENTED BY	
	Floating Current A/c	191 68
	Vat Control Account	1,556 33
		<u>1,748.01</u>


 Simon Franklin Plant
 Joint Liquidator



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TO ALL KNOWN MEMBERS AND CREDITORS

Date 26 June 2013
Contact Chris Towler
Telephone 020 7531 2394

Our Ref ASE0002/SFP/cst260613 P5

Dear Sirs

1A Seal Systems Limited (in Liquidation) ("ASE")

Pursuant to Paragraph 83 of Schedule B1 of the Insolvency Act 1986 (as amended) ("the Act"), I was appointed Joint Liquidator of ASE, together with Daniel Plant on 21 June 2012

I write to provide my first annual progress report prepared in accordance with Section 104A of the Act and Rule 4.49C of the Insolvency Rules 1986 (as amended) ("the Rules"), detailing the progress of my administration of ASE's estate since my appointment and up to 20 June 2013 ("the Review Period"). This report should be read in conjunction with the Joint Administrators' final progress report ("Final Report") dated 22 June 2012, sent during my appointment as Joint Administrator

A) Asset Realisations

Surplus from Administration (including VAT)

A balance of £14,411 held in the Administration was transferred to the Liquidation estate

As detailed in the Final Report, £14,409 was expected to be transferred to the Liquidation estate account. There has been a nominal increase, relating to the final interest applied to the account.

Book Debts

As detailed in the Final Report, I instructed a company associated with my firm, SFP Recoveries Limited ("SFP Recoveries") to assist with debtor recoveries following reassignment of the sales ledger from Hitachi Capital Plc. Solicitors, DWF LLP ("DWF") were instructed to provide assistance where necessary.

During the Review Period, SFP Recoveries with the assistance of DWF have elicited £18,213 from the ledger.

Due to the contractual nature, certain debts were passed to specialist agents, The Vinden Partnership ("TVP") to pursue further. Following a review of all contracts and documentation, TVP reported that they would not be able to recover any funds due to valid disputes and recommended that SFP Recoveries close its files.



Accordingly, SFP Recoveries has now closed its files
Additional

The only other receipt during the Review Period is credit interest of £4 earned on estate funds held at Allied Irish Bank (GB)

B) Payments

Agents

Payments have been made to the following agents during the Review Period

Agent Instructed	Work Undertaken	Amount Paid
Alexander Forbes Trustee Services Limited	Pension Advice	£409
The Vinden Partnership	Agents / Valuers Fees	£1,050
The Vinden Partnership	Debt Recovery Fees	£3,815
DWF LLP	Debt Recovery Fees	£312
Courts Advertising Limited	Statutory Advertising	£77
NWT VAT Consultancy	Professional Fees	£250

Expenses paid from the estate are reflected on the enclosed Receipts and Payments Account and are self-explanatory

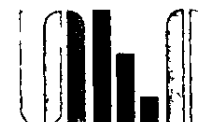
C) Investigations

In accordance with my statutory duty, a requisite D Form addressing the directors' conduct has been submitted to the Department for Business, Innovation and Skills

My enquiries into the affairs of ASE are being conducted by a company associated with my firm, SFP Forensic Limited ("SFP Forensic") and are ongoing

D) Joint Liquidators' Time Costs and Disbursements

The charge out value of time costs of my staff and me in attending to matters arising in the Liquidation to the date that this report covers amounts to £12,433, plus VAT and Disbursements. A breakdown of those time costs, together with a summary of charge out rates of staff allocated to deal with this matter and a standard SIP 9 activity summary is attached



During the Review Period, no fees have been drawn representing Joint Liquidators' remuneration

During the Review Period, SFP Forensic, SFP Recoveries, SFP Property Limited ("SFP Property") and SFP Datastore Limited ("SFP Datastore") (collectively, "the Associated Entities") have incurred time costs of £20,073, £16,015, £100 and £173, respectively. Breakdowns of time costs incurred by the Associated Entities are enclosed from which you will note that no fees have been recovered during the Review Period.

Creditors have previously been provided with the definitions of SIP 9, Category 1 and Category 2 Disbursements. During the Review Period, expenses in respect of company search fees, land registry search fees and mail redirection have been incurred in the sum of £122. Expenses in respect of postage costs have also been incurred in the sum of £116. No Disbursements of either Category have been recovered during the Review Period.

In accordance with Rule 4.127(5A) of the Rules, the basis of remuneration as agreed in the Administration, applies in the Liquidation. As such the Joint Liquidators and the Associated Entities are authorised to draw remuneration on a time cost basis.

Pursuant to Rule 4.49E, within 21 days of receipt of this progress report a creditor may request the Joint 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 by either a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors or the permission of the court.

In accordance with Rule 4.131 of the Rules, any secured creditor, or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors, or with the permission of the Court, may apply to the Court on the grounds that the remuneration or other expenses are excessive. Any such application must be made no later than 8 weeks after receipt of this report.

E) Joint Administrators' Remuneration

At the date ASE moved from Administration into Liquidation, the Joint Administrators had incurred outstanding post appointment time costs of £55,838. During the Review Period, Joint Administrators' remuneration totalling £19,250 has been recovered. I have also recovered disbursements in the sum of £217 from the Administration period, in respect of company search fees and postage.

Further, SFP Forensic had incurred outstanding post appointment time costs of £11,365. During the Review Period, SFP Forensic has recovered Administration costs totalling £5,500.

F) Outcome for Creditors

Preferential Creditors



Preferential claims in the Liquidation amount to £816, in respect of employee arrears of wages and holiday pay Claims were submitted by staff to the Redundancy Payments Office and have been settled in accordance with statutory limits set by the government, which have amounted to £11,975 Asset realisations to date indicate there will not be a dividend payment in respect of preferential claims

Trade & Expense Creditors

Unsecured claims in the Liquidation amount to £249,049 Asset realisations to date indicate that there will not be a dividend payment to unsecured creditors

G) Matters Preventing Closure and Assets Still to be Realised

The main matter preventing closure is the continuance of forensic enquiries

H) Unpaid Costs and Disbursements

The following costs and expenses have been incurred, but presently remain undischarged

- the time costs of the Joint Liquidators, SFP Forensic, SFP Recoveries, SFP Property and SFP Datastore during the Review Period are £12,433, £20,073, £16,015, £100 and £173, respectively These presently remain unpaid, and
- the disbursements of the Joint Liquidators during the Review Period are £238 These presently remain unpaid

Both the costs and expenses have been previously detailed in paragraph D)

I) Additional Points and Conclusion

The following documentation is enclosed

- i) Statutory information in relation to ASE,
- ii) the Joint Liquidators' abstract of receipts and payments for the period from 21 June 2012 to 20 June 2013,
- iii) an analysis of the Joint Administrators' time costs for the Administration period 29 July 2011 to 21 June 2012,
- iv) an analysis of SFP Forensic's time costs for the Administration period 29 July 2011 to 21 June 2012,
- v) an analysis of the Joint Liquidators' time costs to from 21 June 2012 to 20 June 2013,
- vi) a SIP 9 standard activity summary,

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- vii) an analysis of SFP Forensic's time costs from 21 June 2012 to 20 June 2013,
- viii) an analysis of SFP Recoveries' time costs from 21 June 2012 to 20 June 2013,
- ix) an analysis of SFP Property's time costs from 21 June 2012 to 20 June 2013,
- x) an analysis of SFP Datastore's time costs from 21 June 2012 to 20 June 2013,
- xi) a breakdown of SFP and Associated Entities Charge Out Rates ,
- xii) a proof of debt form, and
- xiii) a creditors' guide to Liquidators' fees

Should any creditor have any questions or queries in relation to the above, please contact the Senior Administrator dealing with this matter, Chris Towler

Yours faithfully


Simon Plant
Joint Liquidator

Statutory Information

1A Seal Systems Limited (in Liquidation)

Company Number	05448545
Current Registered Office	9 Ensign House Admirals Way Marsh Wall Docklands London E14 9XQ
Previous Registered Office:	Unit 6A Dannemora Drive Sheffield South Yorkshire S9 5DF
Type of Insolvency:	Creditors' Voluntary Liquidation
Date of Appointment:	21 June 2012
Appointees:	Simon Plant Daniel Plant
Address:	SFP 9 Ensign House Admirals Way Marsh Wall London E14 9XQ

1A Seal Systems Limited (in Liquidation)
Joint Liquidators' Receipts and Payments Account
for the period 21 June 2012 to 20 June 2013

S of A £	RECEIPTS	£
2,501 55	Funds transferred from Administration	2,501 55
11,909 44	VAT from Administration	11,909 44
-	Book Debts	18,213 42
-	Bank Interest	3 79
<u>14,410 99</u>		<u>32,628 20</u>
	PAYMENTS	
	Joint Administrators' Fees	19,250 00
	Joint Administrators' Disbursements	217 15
	SFP Forensic Limited Fees from Administration	5,500 00
	Agent's Fees - The Vinden Partnership	1,050 00
	Debt Recovery Fees - The Vinden Partnership	3,814 91
	Debt Recovery Fees - DWF LLP	312 47
	Professional Fees - NWT VAT Consultants	250 00
	Pension Advice - Alexander Forbes Trustee Services	409 16
	Statutory Advertising - Courts Advertising Limited	76 50
		<u>30,880 19</u>
	Balance in Hand	<u><u>1,748 01</u></u>
	Represented By	
	Current Account	191 68
	VAT Receivable	1,556 33
		<u><u>1,748 01</u></u>

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1A SEAL SYSTEMS LIMITED (IN LIQUIDATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE ADMINISTRATION PERIOD 29 JULY 2011 TO 21 JUNE 2012

Administration and Planning	31 00	-	-	-	3 00	16 10	115 90	30 80	31 90	260 40
Investigation	-	-	-	-	-	-	-	-	-	-
Realisation of assets	6 30	-	-	-	0 10	-	7 10	-	-	14 10
Trading	-	-	-	-	-	-	-	-	-	-
Creditors	1 00	-	1 30	1 80	5 10	-	3 30	18 30	4 60	47 10
Total	38 30	-	1 30	34 10	8 20	16 10	126 30	49 10	36 50	321 60
Average rate £ per hour	494 78	-	325 00	299 41	275 00	225 00	173 42	150 00	99 59	221 67
Total Costs £	18,950 00	-	422 50	10,210 00	2,255 00	3,622 50	21,302 50	7,365 00	3,635 00	71,287 50
Total costs from 29/07/2011 to 21/06/2012	-	-	-	-	-	-	-	-	-	71,287 50
Remuneration drawn during Administration	-	-	-	-	-	-	-	-	-	15,450 00
Remuneration drawn during Liquidation	-	-	-	-	-	-	-	-	-	19,250 00

See Appendix for Summary Charge Out Rates for staff

NB Following the incorporation of SFP Restructuring Limited on 8 April 2013, all Partners became Directors. The hourly charge out rates remain unchanged. Any time shown which relates to time incurred prior to 8 April 2013 was previously classified as being Partner time.



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FORENSIC

1A SEAL SYSTEMS LIMITED (IN LIQUIDATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE ADMINISTRATION PERIOD 29 JULY 2011 TO 21 JUNE 2012

[illegible]

See Appendix for Summary Charge Out Rates for staff

See Appendix for Summary Charge Out Rates for staff

NB Following the incorporation of SFP Restructuring Limited on 8 April 2013, all Partners became Directors. The hourly charge out rates remain unchanged. Any time shown which relates to time incurred prior to 8 April 2013 was previously classified as being Partner time.

SIP 9 STANDARD ACTIVITY SUMMARIES

Standard Activity	Examples of Work
Administration and Planning	Case Planning Administrative set up Appointment notification Maintenance of records Statutory reporting
Investigation	SIP 2 CDDA report Investigating antecedent transactions
Realisation of assets	Identifying, securing, insuring assets Retention of title Debt collection Property, business and asset sales
Trading	Management of operation Accounting for trading On-going employee issues
Creditors	Communication with creditors Creditor claims (including employees and other preferential creditors)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 21 JUNE 2012 TO 20 JUNE 2013

[illegible]

Remuneration drawn on account

See Appendix for Summary Charge Out Rates for staff

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 21 JUNE 2012 TO 20 JUNE 2013

[illegible]

Remuneration drawn on account

See Appendix for Summary Charge Out Rates for staff

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PROPERTY

1A SEAL SYSTEMS LIMITED (IN LIQUIDATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 21 JUNE 2012 TO 20 JUNE 2013

Administration and Planning	0.10	0.10
Investigation	0.90	0.90
Realisation of assets		
Trading		
Creditors		
Total	1.00	1.00
Average rate £ per hour	100.00	100.00
Total Costs £	100.00	100.00
Total costs from 21/06/2012 to 20/06/2013		
Remuneration drawn on account		

See Appendix for Summary Charge Out Rates for staff

[REDACTED]

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 21 JUNE 2012 TO 20 JUNE 2013

[illegible]

See Appendix for Summary Charge Out Rates for staff

Charge out Rates for SFP main practice and associated entities and Schedule of Expenses

SFP and the Associated Entities remuneration is calculated on an hourly time cost basis, divided into 6 minute units calculated as follows

Main Practice		SFP Forensic Limited		SFP Property Limited		SFP Recoveries Limited	
<u>Grade</u>	<u>Rate p/hr</u>	<u>Grade</u>	<u>Rate p/hr</u>	<u>Grade</u>	<u>Rate p/hr</u>	<u>Grade</u>	<u>Rate p/hr</u>
Director 2	500	Managing Director	500	Managing Director	350	Managing Director	500
Director 1	450	Senior Manager 2	350	Senior Manager 2	275	Senior Manager 2	350
Senior Manager 2	350	Senior Manager 1	325	Senior Manager 1	250	Senior Manager 1	325
Senior Manager 1	325	Manager 2	300	Manager 2	225	Manager 2	300
Manager 2	300	Manager 1	275	Manager 1	200	Manager 1	275
Manager 1	275	Senior Administrator 2	250	Senior Administrator 2	175	Senior Administrator 2	250
Senior Administrator 2	250	Senior Administrator 1	225	Senior Administrator 1	155	Senior Administrator 1	225
Senior Administrator 1	225	Administrator 2	175	Administrator 2	135	Administrator 2	175
Administrator 2	175	Administrator 1	150	Administrator 1	115	Administrator 1	150
Administrator 1	150	Assistant	100	Assistant	100	Assistant	100
Assistant	100						

SFP Datastore Limited			
Grade	Rate p/hr	Retrieval Rates Guide	Supporting Services
Storage Tasks (Retrieval and collection)		Box Storage	
	25	A4	Hire of Security Personnel
		A3	
Staff costs		Transit Cases	Mileage
		Retrieval costs from site	
		Same Day Delivery (up to 10 items / £1 50 per item thereafter)	
		Next Day Delivery (up to 10 items / £1 50 per item thereafter)	
Inventorising and Additional			Chauffeur Services
	75		
Staff Costs		Delivery to third party offices (up to 10 items / £1 50 per item thereafter)	
		Provision of archive boxes	
			18p / box / week
			21p / box / week
			6p / box / week
			£1 10 per mile
			£1 10 per mile
			£1 35 per mile (£50 minimum)
			£25 00
			£5 per box
			£18 50 per hour



A minimum period of 2 years' storage is charged up front in respect of all Administration appointments at a rate of £20.80 per box held. In addition, a destruction charge of £9 per box is also charged up front.

The minimum charge is based on the assumption that the Administration will continue for a period of one year, plus the requirement to then hold records for a further period of one year once the Company has been dissolved. In the event that the Administration is concluded early, the Company is dissolved early and the records are held for less than the anticipated two year period, any fees billed and paid in advance will be credit noted and the funds repaid to the estate as necessary. In the event that the Administration is extended, any additional charges incurred by SFP Datastore Limited will be paid as they are incurred.

Direct Expenses (Category 1 Disbursements)

Category 1 Disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case will be charged to the estate at cost, with no uplift. These include, but are not limited, to such items as advertising, bonding and other insurance premiums and properly reimbursed expenses.

Indirect Expenses (Category 2 Disbursements)

Stationery / Photocopying	Per page / envelope (£)	Postage	Postage rate (£)	Travel
1 page of headed paper	0.12	Postage - 1 st class (small)	0.47	Mileage incurred as a result of necessary travel is charged at the HM Revenue & Customs approved rate of 45p per mile
1 page of continuation paper	0.10	Postage - 1 st class (large)	0.71	
1 page of photocopying paper	0.02	Postage - 2 nd class (small)	0.33	
Envelopes (all sizes)	0.10	Postage - 2 nd class (large)	0.58	

PROOF OF DEBT - GENERAL FORM

**In the matter of 1A Seal Systems Limited
(in Liquidation)
and in the matter of The Insolvency Act 1986**

Date of Winding-Up 21 June 2012

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

PROOF OF DEBT - GENERAL FORM (CONTD)

Admitted to Vote for

£

Date

Liquidator

Admitted preferentially for

£

Date

Liquidator

Admitted non-preferentially for

£

Date

Liquidator

NOTE: A company goes into liquidation if it passes a resolution for voluntary winding up or an order for its winding up is made by the court at a time when it has not already gone into liquidation by passing such a resolution

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, explore 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: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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.	<ul style="list-style-type: none"> • 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.
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.	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.
6.1.3	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, 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.	<p>6.3.2 The following are not permissible:</p> <ul style="list-style-type: none"> • 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.
6.3	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: <p>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.</p>	<p>6.4 Realisations for secured creditors</p> <p>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) at any meeting of creditors convened for the purpose of determining his fees, and in any reports he sends to creditors.</p> <p>7 Progress reports and requests for further information</p> <p>7.1 The liquidator is required to send annual progress reports to creditors. The reports must include:</p> <p>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.</p> <p>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.</p> <p>7.3 The liquidator must provide the requested information within 14 days, unless he considers that:</p> <p>the time and cost involved in preparing the information would be excessive, or</p>

- 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
- 3 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 bases 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 6 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 sufficient 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 bases 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 bases used to fix it is inappropriate, he may request that the amount or rate be increased or the bases 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 bases used to fix it is inappropriate, he may apply to the court for the amount or rate to be increased or the bases 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 5 minutes

- A description of work carried out, which might include
 - details of work undertaken during the period, related to the table of time spent for the period
 - an explanation of the grades of staff used to undertake the different tasks carried out and the reasons why it was appropriate for those grades to be used
 - any comments on any figures in the summary of time spent accompanying the request the liquidator wishes to make

Time spent and charge-out summaries, in an appropriate format

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

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

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

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

Partner
Manager
Other senior professionals
Assistants and support staff

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

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