

**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

05581763

Name of Company

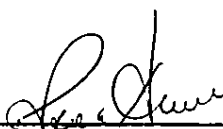
ABNDesign Limited T/A Bryce Aime

+/- We

Harold J Sorsky
Gable House
239 Regents Park Road
London
N3 3LFS Davis
Gable House
239 Regents Park Road
London
N3 3LFthe 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 12/01/2012 to 11/01/2013

Signed

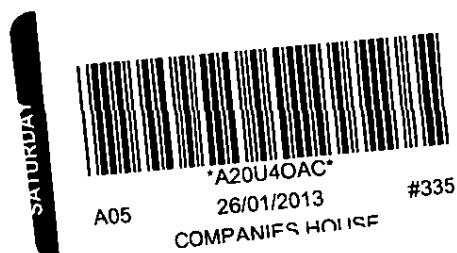


Date

24/1/13

Streets SPW Plc
Gable House
239 Regents Park Road
London
N3 3LF

Ref A805/HJS/SD/IS



**ABNDesign Limited T/A Bryce Aime
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs		From 12/01/2012 To 11/01/2013
	ASSET REALISATIONS	
1,150 00	Computer and Office Equipment	300 00
8,500 00	Motor Vehicle	11,000 00
150 00	Stock	NIL
	Bank Interest Gross	19 49
		<u>11,319 49</u>
	COST OF REALISATIONS	
	Specific Bond	50 00
	Joint Liquidators Fees	6,900 00
	Land Registry	NIL
	Agents/Valuers Fees (1)	2,021 00
	Travel	17 20
	Storage Costs	50 00
		<u>(9,038 20)</u>
	FLOATING CHARGE CREDITORS	
(30,857 00)	HSBC Bank Plc	<u>NIL</u>
		NIL
	UNSECURED CREDITORS	
(45,806 00)	Trade & Expense Creditors	NIL
(14,564 00)	HM Revenue & Customs - PAYE	NIL
(19,254 00)	HM Revenue & Customs - VAT	<u>NIL</u>
		NIL
	DISTRIBUTIONS	
(1 00)	Ordinary Shareholders	<u>NIL</u>
		NIL
<u>(100,682.00)</u>		<u><u>2,281.29</u></u>
	REPRESENTED BY	
	VAT Receivable	1,807 64
	Bank 1 - Current	533 65
	VAT Payable	(60 00)
		<u>2,281.29</u>
		<u><u>2,281.29</u></u>

ABNDESIGN LIMITED T/A BRYCE AIME (IN LIQUIDATION)

Registered No 05581763

Registered office situated at Gable House, 239 Regents Park Road, London N3 3LF

1 Introduction

1 1 I refer to the appointment of Harold John Sorsky and myself, Stella Davis, both of Gable House, 239 Regents Park Road, London N3 3LF, as Joint Liquidators of the above Company on 12 January 2012

1 2 This is the annual progress report to the creditors of ABNDesign Limited pursuant to Section 104A of the Insolvency Act 1986 (as amended) ("IA86")

2 Progress of the Liquidation for the period to 11 January 2013.

2.1 Receipts & Payments

2 1 1 Please find enclosed a Receipts and Payments Abstract summary for the period to 11 January 2013, in accordance with Section 192 of IA86

2.2 Asset Realisations

2 2 1 Professional valuation agents, Nikla Limited, were instructed to identify and value the assets of the Company

2 2 2 Stock

This consists of various clothing samples with an estimated to realise value of £150 00 Unfortunately my agent was unable to sell the stock

2 2 3 Computer and Office Equipment

These items had originally been valued at £1,150 To date I have realised £300 00 in this respect Unfortunately my agent was unable to sell the remainder of these assets due to its dilapidated state

2 2 4 Motor Vehicle

This consists of Mini Cooper S1 6 with an estimated to realise value of £8,500 00 To date, I have realised the sum of £11,000 00 in this respect which is slightly more than anticipated at the outset

2 2 5 Bank Interest Gross

All funds realised have been placed on a special deposit bank account Interest accrued during this reporting period totals £19 49

3 Cost of Realisations

3 1 1 Specific Bond

This payment relates specifically to mandatory insurance cover required by each office holder in accordance with the Insolvency Act 1986, and is determined by the estimated value of assets. The amount paid for this cover in the reporting period is £50 00

3 1 2 Joint Liquidators' Fees

The sum of £6,900 00 has been drawn from estate funds in respect of time costs incurred in dealing with matters arising during the course of the administration of this Liquidation

3 1 3 Agents/Valuers Fees & Expenses

This reflects agents' costs involved in identification of and valuation of the assets, negotiating the sale of certain of the assets, and in recovering the sale consideration ultimately due

3 1 4 Travel

This represents the travel costs of £17 20 incurred in relation to the collection of company's books and records

3 1 5 Storage Costs

These relate to the costs of storage of Company records, as agreed by a resolution passed at the meeting of creditors held on 12 January 2012

4 Liquidator's Remuneration

4 1 1 Rule 4 49B of the Insolvency Rules 1986 (as amended) ("IR86") requires Liquidators to provide details of the basis fixed for the remuneration of the Liquidator under Rule 4 127 IR86. As previously advised in my report to creditors dated 13 January 2012, creditors resolved at the meeting held on 12 January 2012 that the Joint Liquidators' fees be agreed and drawn at discretion on recorded time costs

4 1 2 Statement of Insolvency Practice No 9, an extract from which I enclose for reference, requires Liquidators to provide creditors with certain information regarding time spent on the administration of Liquidations. In accordance with these requirements, I would advise that in the period to 11 January 2013, my staff and I have spent a total of 57 70 hours on the administration of this case, incurring time costs in the sum of £10,138 36, providing an average hourly charge out rate of £175 71, as set out on the schedule enclosed

4 1 3 This time relates to statutory notification and reporting, dealing with creditors and their claims, realisation of assets, statutory investigation and reporting on the Company and its directors, maintenance of records and the conduct of the liquidation generally

4 1 4 As further required by Rule 4 49B IR86, I would draw your attention to the provisions of IR86 Rules 4 49E and 4 131 in this connection, copies of which I enclose for your reference

4 1 5 You will note that the sum of £6,900 00 has been drawn from estate funds in respect of time costs incurred in dealing with matters arising during the course of the administration of this Liquidation

4 1 6 For your information I enclose a schedule of my firm's current charge out rates, which I trust you will find self-explanatory

5 Liquidator's Disbursements

5 1 1 These relate to expenses incurred by the Joint Liquidators whilst carrying out their duties. It is also this firm's policy to recharge expenses or disbursements directly incurred on a case which may include elements of shared or allocated costs, and typically comprise meeting room hire, photocopying, postage and storage. These costs will be recharged where specifically identifiable.

5 1 2 These disbursements have been settled from the liquidation estate, in accordance with the resolution passed at the meeting of creditors held on 12 January 2012.

5 1 3 As required by Rule 4 49B IR86, I would draw your attention to the provisions of IR86 Rules 4 49E and 4 131 in this connection, copies of which are enclosed as previously stated.

5 1 4 For your information, please find enclosed a schedule of my firm's current disbursement charges, which I trust you will find self-explanatory.

6 Investigations

6 1 1 I would confirm that my investigations into the Company, its Director and the reasons for failure are now complete. My investigations have been conducted in accordance with the relevant legislative requirements, together with additional guidance provided by Statements of Insolvency Practice Nos 2 and 4 (in their previous form), and the appropriate report has been submitted to the Department of Business, Innovation and Skills. You should be aware however that the contents of this report are strictly confidential in nature.

7 Creditors' Committee

7 1 1 Creditors were invited to form a committee but no nominations were received.

8 Liabilities

8.1 Secured Creditors

8 1 1 HSBC Bank Plc

The company granted a floating charge to HSBC Bank Plc on 17 May 2007, although the net property is less than the prescribed minimum. Consequently the prescribed part rules do not apply in this Liquidation.

I should point out that, after satisfaction of the unpaid costs of the liquidation, there will be no funds available to enable a distribution to any class of creditor.

8.2 Preferential Creditors

8 2 1 No preferential claims received to date.

8 3 Unsecured Claims

- 8 3 1 To date, I have received claims from 14 unsecured creditors, totalling approximately £189,917
- 8 3 2 No formal adjudication of these claims has commenced to date, although it should be noted that the Company records indicate a further 15 unsecured creditors have yet to submit a claim. It is anticipated that these claims could potentially give rise to an additional unsecured liability in the region of £13,900
- 8 3 3 As previously stated, however, after satisfaction of the unpaid costs of the liquidation, there will be no funds available to enable a distribution to any class of creditor

9 Amounts available to creditors in respect of the prescribed part

- 9 1 1 Under the provisions of Section 176A of the Insolvency Act 1986 I must state the amount of funds available to unsecured creditors in respect of the Prescribed Part. This provision only applies where the Company has granted a floating charge after 15 September 2003
- 9 1 2 The Company has granted such a charge as previously stated, however the net property is less than the prescribed minimum. Consequently there will be no prescribed part in this Liquidation

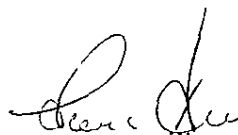
10 Future Prospects

- 10 1 There are no further realisations anticipated and based on current indications, there is no likely prospect of funds being available to enable a distribution to any class of creditor after the costs of the liquidation. I intend to settle the outstanding costs of the liquidation shortly and, once this has been done, I shall take steps to bring this liquidation to a close

11 Conclusion

- 11 1 I trust the contents of this report are self-explanatory. However, if you would like to discuss any of the above matters, please do not hesitate to contact Irma Sabonyte of my office

Dated 24 January 2013



S Davis
Joint Liquidator

**ABNDesign Limited T/A Bryce Aime
(In Liquidation)**

JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 12/01/2012 To 11/01/2013 £
RECEIPTS		
Computer and Office Equipment	1,150 00	300 00
Motor Vehicle	8,500 00	11,000 00
Stock	150 00	0 00
Bank Interest Gross		19 49
VAT Payable		60 00
		<u>11,379 49</u>
PAYMENTS		
Specific Bond		50 00
Joint Liquidators Fees		6,900 00
Agents/Valuers Fees		2,021 00
Travel		17 20
Storage Costs		50 00
VAT Receivable		1,807 64
		<u>10,845 84</u>
BALANCE - 11 January 2013		<u><u>533 65</u></u>

ABNDesign Ltd v/a Bryce Aime - In Liquidation

Schedule of Joint Liquidators' costs for the period 12 January 2012 to 11 January 2013 (inclusive)

	Partner		Administrator		Assistant	
	Hours	Cost	Hours	Cost	Hours	Cost
Administration and Planning	3 67	£1 466 68	36 30	£5 445 00	1 67	£150 00
Realisation of Assets	1 33	£533 34	0 40	£60 00	0 00	£0 00
Creditors	1 33	£533 34	4 50	£675 00	0 00	£0 00
Investigations	0 00	£0 00	8 50	£1 275 00	0 00	£0 00
Taxation						
Total	6 33	2,533 36	49 70	7,455 00	1 67	150 00
Average Hourly charge out rate		£400 21		£150 00		£89 82
Total Hours	57 70					
Total Cost	£10,138 36					
Average	£175 71					

Rule 4 131 of the Insolvency Rules 1986

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

4 131 (1) (Secured or certain unsecured creditors may apply to Court) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the Court, may apply to the Court for one or more of the orders in paragraph (4)

4 131(1A) (Grounds for application) Application may be made on the grounds that –

- (a) the remuneration charged by the liquidator,
- (b) the basis fixed for the liquidator's remuneration under Rule 4 127, or
- (c) expenses incurred by the liquidator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate

4 131(1B) (Time limit for application) The application must, subject to any order of the Court under Rule 4 49E(5), be made no later than 8 weeks (or, in a case falling within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")

4 131(2) (Power of Court to dismiss etc) The Court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the Court for a hearing, of which he has been given at least 5 business days' notice but which is without notice to any other party

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

4 131(3) (Notice to the liquidator) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it

4.131(4) (Court Order) If the Court considers the application to be well-founded, it must make one or more of the following orders-

- (a) an order reducing the amount of remuneration which the liquidator was entitled to charge,
- (b) an order fixing the basis of remuneration at a reduced rate or amount,
- (c) an order changing the basis of remuneration,
- (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,
- (e) an order that the liquidator or 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

4 131(5) (Costs of Application) Unless the Court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation

4 131A Review of remuneration

4 131A(1) (Power of liquidator to request change) Where, after the basis of the liquidator's remuneration has been fixed, there is a material and substantial change in the circumstances which were taken into account in fixing it, the liquidator may request that it be changed

4 131A (2) (To whom request must be made) The request must be made –

- (a) where the liquidation committee fixed the basis, to the committee,
- (b) where the creditors fixed the basis, to the creditors,
- (c) where the Court fixed the basis, by application to the Court,
- (d) where the remuneration was determined by application of the realisation scale under Rule 4 127A, to the liquidation committee if there is one or otherwise to the creditors,

and subject to paragraph (3), Rules 4 127 and 4 131 apply as appropriate

4 131A (3) (Where r 4 129A applied with r 4 131A(2)) Where Rule 4 129A is applied in accordance with paragraph (2) of this Rule, ignore the words "in which the administrator had not requested an increase under Rule 2 107"

4.131A (4) (Date when change in basis applies from) Any change in the basis for remuneration applies from the date of the request under paragraph (2) and not for any earlier period

4 131A (5) (Non-application where liquidator official receiver) This Rule does not apply where the liquidator is the official receiver

4 131B Remuneration of new liquidator

4.131B (1) (Basis of remuneration of former liquidator continues) If a new liquidator is appointed in place of another, any determination, resolution or Court order in effect under the preceding provisions of this Section of this Chapter immediately before the former liquidator ceased to hold office continues to apply in respect of the remuneration of the new liquidator until a further determination, resolution or Court order is made in accordance with those provisions

4.131B (2) (Non-application where liquidator official receiver) This Rule does not apply where the new liquidator is the official receiver

4 131C Apportionment of set fee remuneration

4.131C(1) (Where liquidator ceases to hold office) In a case in which the basis of the liquidator's remuneration is a set amount under Rule 4 172(2)(c) and the liquidator ("the former liquidator") ceases (for whatever reason) to hold office before the time has elapsed or the work has been completed in respect of which the amount was set, application may be made for determination of what portion of the amount should be paid to the former liquidator or the former liquidator's personal representative in respect of the time which has actually elapsed or the work which has actually been done

4.131C (2) (By whom and by when application may be made) Application may be made –

- (a) by the former liquidator or the former liquidator's personal representative within the period of 28 days beginning with the date upon which the former liquidator ceased to hold office, or
- (b) by the liquidator for the time being in office if the former liquidator or the former liquidator's personal representative has not applied by the end of that period

4.131C (3) (To whom application must be made) Application must be made –

- (a) where the liquidation committee fixed the basis, to the committee,
- (b) where the creditors fixed the basis, to the creditors for a resolution determining the portion,
- (c) where the Court fixed the basis, to the Court for an order determining the portion

4.131C (4) (Copy of application to recipient) The applicant must give a copy of the application to the liquidator for the time being in office or to the former liquidator or the former liquidator's personal representative, as the case may be ("the recipient")

4.131C (5) (Notice of recipient's intention to make representations etc) The recipient may within 21 days of receipt of the copy of the application give notice of intent to make representations to the liquidation committee or the creditors or to appear or be represented before the Court, as the case may be

4.131C (6) (Period for determination) No determination may be made upon the application until expiry of the 21 days referred to in paragraph (5) or, if the recipient does give notice of intent in accordance with that paragraph, until the recipient has been afforded the opportunity to make representations or to appear or to be represented, as the case may be

4 131C (7) (Application to increase portion) If the former liquidator or the former liquidator's personal representative (whether or not the original applicant) considers that the portion determined upon application to the liquidation committee or the creditors is insufficient, that person may apply-

(a) in the case of a determination by the liquidation committee, to the creditors for a resolution increasing the portion,

(b) in the case of a resolution of the creditors (whether under paragraph (1) or under sub-paragraph (a)), to the Court for an order increasing the portion,

and paragraphs (4) to (6) apply as appropriate

Rule 4 49E of the Insolvency Rules 1986

4 49E Creditors' and members' request for further information

4 49E(1) (Duty of liquidator re remuneration or expenses) 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

4 49E(2) (Period for compliance with r 4 49E(1)) The period referred to in paragraph (1)(a) and (b) is -

- (a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4 108, and
- (b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case

4 49E(3) (How liquidator to comply) The liquidator complies with this paragraph by either-

- (a) providing all 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 49E(4) (Application to Court by creditors and members) Any creditor, and any member of the company in a members' voluntary winding up, who need not be the same as the creditors or members who asked for the information, may apply to the Court within 21 days of -

- (a) the giving by the liquidator of reasons for not providing all the information asked for, or
- (b) the expiry of the 14 days provided for in paragraph (1),

and the Court may make such order as it thinks just

4.49E(5) (Court may extend period in rr 4 131(1B), 4 148C(2)) Without prejudice to the generality of paragraph (4), the order of the Court under that paragraph may extend the period of 8 weeks or, as the case may be, 4 weeks provided for in Rule 4 131(1B) or 4 148C(2) by such further period as the Court thinks just

4 49E(6) (Non application to official receiver) This Rule does not apply where the liquidator is the official receiver

STREETS**SPW PLC**

Licensed Insolvency Practitioners

Creditors Guide to Remuneration & Disbursements**Remuneration Rates***

Our current charge-out rates which may be amended from time to time are as follows

Position	Hourly Charge Out Rate (£)
Senior Partner	500
Partner	400
Associate	375
Senior Manager	300
Manager	250
Administrator	150
Assistants & Support Staff	90

NB - Time costs are calculated in 6 minute units

Agents Costs

These are charges at cost, based upon the charge(s) made by Agents instructed
The Term "Agent" includes, but may not be limited to -

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

Disbursement Rates*

It is this company's policy to recharge expenses or disbursements directly incurred on a case which may include elements of shared or allocated costs. These costs will be recharged where specifically identifiable and shall be subject to approval by those responsible for agreeing remuneration. Incidental expenses or disbursements are disclosed from time to time on estate receipts and payments accounts circulated. At this time our charges are as follows

Disbursement	Basis of Charge
Bond	At cost of mandatory cover required in accordance with the Insolvency Act 1986
Insurance of Assets	At cost in relation to asset coverage requirements
Company Searches	At cost incurred
Travel	Motor vehicle at 45p per mile. All other forms of travel at actual cost
Meeting Room Hire	£100 per meeting
Postage	At cost
Storage Costs/ Box	£10 per box, per 6 months

**Please note that these rates are subject to change from time to time, in line with changes in costs incurred by this company. These rates are correct as at 1 January 2012*

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.

Proof of Debt – General Form

ABNDesign Limited T/A Bryce Aime – In Liquidation	
Date of Winding-Up Order/Resolution for voluntary winding-up 12/01/2012	
1 Name of creditor (If a company please also give company registration number)	
2 Address of creditor for correspondence	
3 Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation	£
4 Details of any documents by reference to which the debt can be substantiated (Note There is no need to attach them now but the liquidator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting)	
5 If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6 Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7 Particulars of any security held, the value of the security, and the date it was given	
8 Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
9 Signature of creditor or person authorised to act on his behalf _____	
Name in BLOCK LETTERS _____	
Position with or in relation to creditor _____	
Address of person signing (if different from 2 above) _____	
Admitted to vote for	Admitted for dividend for
£	£
Date	Date
Liquidator	Liquidator