

**Boxfast Ltd**  
**Liquidator's Annual Report to Members and Creditors**  
**For the first year of appointment, 11<sup>th</sup> December 2013 to 10<sup>th</sup> December 2014**

**STATUTORY INFORMATION**

Company name. Boxfast Limited

Registered office: 10 St Helens Road, Swansea, SA1 4AW

Former registered office: 44 St Helens Road, Swansea, SA1 4BB

Registered number: 05685448

Liquidator's name Sandra McAlister

Liquidator's address. McAlister & Co, 10 St Helens Road, Swansea, SA1 4AW

Liquidator's date of appointment. 11<sup>th</sup> December 2013

**RECEIPTS AND PAYMENTS ACCOUNT**

My Receipts & Payments Account for the period from 11<sup>th</sup> December 2013 to 10<sup>th</sup> December 2014 is attached.

**ASSETS**

**Book Debts**

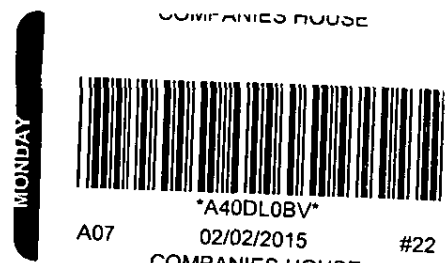
The Official Receiver advised Book debts of approximately £62,976 were outstanding at the time of the Liquidation

Enquiries were made with the director as to the extent of the debts owed to the company and Sage records were requested from the bookkeeper to clarify this

The Director had since formed a new company in the name of Ascus SL Ltd and it came to my knowledge that debtors of Boxfast Ltd had been pursued to pay monies over to the new company I discussed this matter with the director and advised the monies are to be collected by the Liquidator going forward

Agents, Credet Ltd, were instructed to collect the book debts on my behalf and to date £5,682 has been received.

There is an ongoing dispute as to how much is owed to the estate and how much is owed to the new company by way of book debts Invoices and delivery notes have been requested to establish this and my enquiries are ongoing in this matter



### **Nat West Account**

Enquiries were made with Nat West regarding statements showing credit funds on the company bank account. A sum of £23,516.15 was requested to be paid to the estate upon closure of the account and funds have since been received

This figure includes a number of the book debts included by the Official Receiver in the figure shown above (£62,976).

### **Service Charge Refund**

I was advised by Nat West that Boxfast Ltd were owed monies from overpayment of charges and a refund was issued and the sum of £138 78 was paid to the estate

The matter is now concluded.

### **Bank Interest**

A sum of £38 68 has been received to date in respect of bank interest net of tax.

## **LIABILITIES**

### **Secured Liabilities**

An examination of the company's mortgage register held by the Registrar of Companies shows that the company has not granted any debentures.

### **Preferential Creditors**

The statement of affairs did not anticipate any potential preferential creditors.

### **Crown Creditors**

The statement of affairs included £170,371 54 owed to HMRC. A final claim of £180,177.12 has been received

### **Unsecured Creditors**

6 potential unsecured creditors have been identified with an estimated total liability of £507,104 93. I have received claims from 5 creditors at a total of £507,516 63. To date I have not received claims from 1 creditor with original estimated claims in the statement of affairs of £11,000.

## **LIQUIDATOR'S ACTIONS SINCE APPOINTMENT**

I was appointed by the Secretary of State to realise the known assets for the benefit of the liquidation estate. The only assets identified by the Official Receiver were the book debts

Credebt Ltd were instructed to collect the debts on my behalf but there is an ongoing dispute by the director as to which company the debts are owed. Some funds have been recovered to date and investigations are ongoing

I have also corresponded with Nat West in regards to the company bank account and funds have been received upon closure.

I have also been corresponding with the Official Receiver in regards to the usual administrative work, as outlined below and I have continued to seek to confirm the claims of unsecured creditors.

## **INVESTIGATION INTO THE AFFAIRS OF THE COMPANY**

I undertook an initial investigation into the company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved

I took the following action where I considered that further investigation was justified

- Enquiries were made with regards to Book debts owed which has been identified as a potential asset to be realised for the benefit of the estate.

## **LIQUIDATOR'S REMUNERATION**

At the creditor's meeting held on 19<sup>th</sup> February 2014 a resolution was passed that the Liquidator's be remunerated on a time cost basis according to the time properly spent by them and their staff in their duties in relation to the liquidation, this remuneration being drawn from time to time at the Liquidator's discretion.

My total time costs to 10<sup>th</sup> December 2014 amount to £11,730 which has been charged at an average charge out rate of £241.36. To date I have drawn £7,000 in remuneration in this matter and a schedule of my time costs incurred to date is attached

A description of the routine work undertaken in the liquidation to date is as follows:

- 1 Administration and Planning
  - Preparing the documentation and dealing with the formalities of appointment
  - Statutory notifications and advertising
  - Preparing documentation required.
  - Dealing with all routine correspondence
  - Maintaining physical case files and electronic case details on IPS.
  - Review and storage
  - Case bordereau
  - Case planning and administration
  - Preparing reports to members and creditors.
  - Convening and holding meetings of members and creditors
- 2 Cashiering
  - Maintaining and managing the liquidator's cashbook and bank account
  - Ensuring statutory lodgements and tax lodgement obligations are met.
3. Creditors
  - Dealing with creditor correspondence and telephone conversations
  - Preparing reports to creditors
  - Maintaining creditor information on IPS.
  - Reviewing and adjudicating on proofs of debt received from creditors

4 Investigations

- Review and storage of books and records
- Conduct investigations into suspicious transactions
- Review books and records to identify any transactions or actions a liquidator may take against a third party in order to recover funds for the benefit of creditors

5 Realisation of Assets

- Making enquiries with Director and Debtors regarding book debts owed to the estate
- Liaising with Credent Ltd regarding recovery of book debts.
- Liaising with the company's bank regarding the closure of the account.
- Liaising with banks for statements of accounts.

A copy of 'A Creditors Guide to Liquidators' Fees' published by the Association of Business Recovery Professionals and 'A Statement of Insolvency Practice 9 (Revised) together with an explanatory note which shows McAlister & Co Insolvency Practitioners Ltd's fee policy are attached. A hard copy of both the Creditors Guide and my practice's fee policy can be obtained 'free of charge' on request from the address below

**LIQUIDATOR'S EXPENSES**

My expenses to 10<sup>th</sup> December 2014 amount to £538 05 of this I have recovered £471 54 to date

The following expenses have been incurred but have not yet been paid

Type of expense	Amount of expense incurred/accrued to date	Amount still to be paid
Specific Bonding	£180	£0
Advertising	£141.54	£0
Postage	£66.51	£66.51
Legal Fees (taken in error*)	£150 00	£0

*\*Prior to an order being made for the company to be wound up, a Company Voluntary Arrangement (CVA) was sought and LPC Law attended court on my behalf. The fee for this has been incorrectly recovered as a disbursement of the liquidation and is now being refunded. The cost of £150 is shown on the attached receipts and payments account*

The following agents or professional advisors have been utilised in this matter:

Professional Advisor	Nature of Work	Fee Arrangement
Credent Ltd	Collection of book debts	Percentage of collections

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case

## **FURTHER INFORMATION**

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

## **DIVIDEND PROSPECTS**

### Secured creditors

I am not aware of any secured creditors in this liquidation.

### Preferential creditors

There are no known preferential creditors in this liquidation.

### Unsecured creditors

It is not yet known whether a dividend will be payable to unsecured creditors in this case which will be largely dependent on the recovery of Book debts.

## **SUMMARY**

The liquidation will remain open to continue my investigations into potential recoveries from the Book debts. Once this matter has been dealt with the liquidation will be finalised and our files will be closed.

Should you have any queries regarding this matter please contact Leighton Davies at my Swansea office.



**Sandra McAlister**  
**Liquidator**

*Insolvency Practitioner licensed to act in the United Kingdom by the Insolvency Practitioners Association*

**Boxfast Limited  
(In Liquidation)**

**LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT**

	Statement of affairs £	From 11/12/2013 To 10/12/2014 £	From 11/12/2013 To 10/12/2014 £
<b>RECEIPTS</b>			
Book Debts	62,976 00	5,682 00	5,682 00
Cash at Bank		23,516 15	23,516 15
Bank Interest Net of Tax		38 68	38 68
Service charge bank refund		138 78	138 78
Petitioners Deposit		1,165.00	1,165 00
		<u>30,540 61</u>	<u>30,540 61</u>
<b>PAYMENTS</b>			
O R Remuneration		2,235 00	2,235 00
DTI Cheque Fees		2.20	2 20
Sec of State Fees		6,376.35	6,376 35
Petitioners Costs		1,995 00	1,995 00
Specific Bond		180 00	180 00
Liquidators Fees		7,000 00	7,000 00
Court Attendance		150.00	150 00
Statutory Advertising		141 54	141 54
Bank Charges		88 00	88 00
Vat Receivable		1,494 30	1,494 30
		<u>19,662 39</u>	<u>19,662 39</u>
<b>BALANCE - 10 December 2014</b>			<u><u>10,878.22</u></u>

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Sandra McAlister  
Liquidator

## 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, explain the basis on which fees are fixed and how creditors can seek information about expenses incurred by the liquidator and challenge those they consider to be excessive.

#### 2 Liquidation procedure

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

#### 3 The liquidation committee

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

#### 4 Fixing the liquidator's remuneration

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

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

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

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

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

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

- 4.3 If the remuneration is not fixed as above, it will be fixed in one of the following ways. In a CVL, it will be fixed by the court on application by the liquidator, but the liquidator may not make such an application unless he has first tried to get his remuneration fixed by the committee or creditors as described above, and in any case not later than 18 months after his appointment. In a compulsory liquidation, it will be in accordance with a scale set out in the Rules.
- 4.4 Where the liquidation follows directly on from an administration in which the liquidator had acted as administrator, the basis of remuneration fixed in the administration continues to apply in the liquidation (subject to paragraph 8 below).
- 5 **Review of remuneration**  
Where there has been a material and substantial change in circumstances since the basis of the liquidator's remuneration was fixed, the liquidator may request that it be changed. The request must be made to the same body as initially approved the remuneration, and the same rules apply as to the original approval.
- 6 **What information should be provided by the liquidator?**
- 6.1 **When seeking remuneration approval**
- 6.1.1 When seeking agreement to his fees the liquidator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on
- the nature of the approval being sought,
  - the stage during the administration of the case at which it is being sought; and
  - the size and complexity of the case.
- 6.1.2 Where, at any creditors' or committee meeting, the liquidator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.
- 6.1.3 Where the liquidator seeks agreement to his fees during the course of the liquidation, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the liquidator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the liquidator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the liquidator must fulfill certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the liquidator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent:
- Administration and planning
  - Investigations
  - Realisation of assets
  - Trading
  - Creditors
  - Any other case-specific matters
- The following categories are suggested as a basis for analysis by grade of staff
- Partner
  - Manager
  - Other senior professionals
  - Assistants and support staff
- The explanation of what has been done can be expected to include an outline of the nature of the assignment and the liquidator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain
- Any significant aspects of the case, particularly those that affect the amount of time spent
  - The reasons for subsequent changes in strategy
  - Any comments on any figures in the summary of time spent accompanying the request the liquidator wishes to make
  - The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement.
  - Any existing agreement about fees
  - Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees.
- It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.
- 6.1.4 Where the fee is charged on a percentage basis the liquidator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by a liquidator or his staff.



## 6.2 After remuneration approval

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

## 6.3 Disbursements and other expenses

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

## 6.4 Realisations for secured creditors

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

## 7 Progress reports and requests for further information

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

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

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

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

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

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

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

## 8. Provision of information - additional requirements

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

The information which must be provided is -

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

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

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

**9 What if a creditor is dissatisfied?**

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

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

**9.3** Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the liquidator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 7.1 above). If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the liquidator a copy of the application and supporting evidence at least 14 days before the hearing

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

**10. What if the liquidator is dissatisfied?**

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

**11 Other matters relating to remuneration**

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

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

**11.3** If the appointed liquidator is a solicitor and employs his own firm to act in the insolvency, profit costs may not be paid unless authorised by the committee, the creditors or the court

**11.4** If a new liquidator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new liquidator until a further determination, resolution or court order is made

**11.5** Where the basis of the remuneration is a set amount, and the liquidator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing liquidator. The application must be made to the same body as approved the remuneration. Where the outgoing liquidator and the incoming liquidator are from the same firm, they will usually agree the apportionment between them.

**11.6** There may also be occasions when creditors will agree to make funds available themselves to pay for the liquidator to carry out tasks which cannot be paid for out of the assets, either because they are deficient or because it is uncertain whether the work undertaken will result in any benefit to creditors. Arrangements of this kind are sometimes made to fund litigation or investigations into the affairs of the insolvent company. Any arrangements of this nature will be a matter for agreement between the liquidator and the creditors concerned and will not be subject to the statutory rules relating to remuneration.

**12. Effective date**

This guide applies where a company –

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

# Time Entry - SIP9 Time & Cost Summary

B100638 - Boxfast Limited  
Project Code POST  
From 11/12/2013 To 10/12/2014

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	6.25	0.00	0.00	4.50	10.75	2,675.00	248.84
Case Specific Matters	0.00	11.50	0.00	7.90	19.40	3,905.00	201.29
Creditors	2.00	0.00	0.00	1.40	3.40	886.00	260.29
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	9.26	5.80	0.00	0.00	15.05	4,265.00	283.39
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>17.50</b>	<b>17.30</b>	<b>0.00</b>	<b>13.80</b>	<b>48.60</b>	<b>11,730.00</b>	<b>241.36</b>
<b>Total Fees Claimed</b>						<b>7,000.00</b>	
<b>Total Disbursements Claimed</b>						<b>471.84</b>	

# **MCALISTER & CO INSOLVENCY PRACTITIONERS LIMITED**

## **MCALISTER & CO CHARGE OUT RATES**

<b>POSITION</b>	<b>HOURLY CHARGE OUT RATE (£)</b>
Director & Licensed Insolvency Practitioner	250 - 320
Manager	160 - 225
Case Administrator	110 - 205
Assistant	75 - 140
Secretarial and cashing	50 - 75

*Please note that our system records time in units of 6 minutes, with a minimum of 1 unit per entry.*

## **MCALISTER & CO DISBURSEMENT CHARGES**

**Category 2 disbursement rates (as defined in SIP 9 – requiring prior approval of creditors)**

Photocopying/Printing	15p per sheet
Fax	40p per sheet
Postage	Per current postal charges
IPS charge	£8 per quarter
Mileage	45p mile
Meeting Room Hire	£60 per meeting where held at McAlister & Co offices

### **Standard Activity**

### **Example of Work**

<b>Administration and Planning</b>	Statutory reporting and compliance Compliance with other regulatory requirements. Case planning. Administrative set up. Appointment notification Maintenance of records and progress reviews
<b>Investigation</b>	SIP 2 review CDDA report Review of questionnaires Investigation of antecedence transactions Liaising with committee
<b>Realisation of Assets</b>	Identification, secure and insure assets Retention of property Debt collection Property, business and asset sales
<b>Trading</b>	Management of operation Accounting for trading On-going employee issues
<b>Creditors</b>	Communication with creditors Creditors' claim and queries Reservation of title claims Employee claims and Redundancy Payments claims Preferential Claims Reviewing and evaluating claims

*Rates quoted are correct as at 29 July 2013. All rates are subject to review annually. There may be a number of promotions throughout the various grades during the administration of cases. We reserve the right to change the rates without prior notice. Any change will be reported in the next statutory report to creditors. Should you require clarification on any of the above, do not hesitate to contact McAlister & Co on 01792 459600.*

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

**(1) If—**

- (a)** within the period mentioned in paragraph (2)—
  - (i)** a secured creditor, or
  - (ii)** an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
  - (iii)** members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company, or
- (b)** with the permission of the court upon an application made within the period mentioned in paragraph (2)—
  - (i)** any unsecured creditor, or
  - (ii)** any member of the company in a members' voluntary winding up,

makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4.49B(1)(e) or (f) (including by virtue of Rule 4.49C(5)) or in a draft report under Rule 4.49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter in a draft report under Rule 4.49D or a progress report required by Rule 4.108 which (in either case) was previously included in a progress report not required by Rule 4.108.

**(2) The period referred to in paragraph (1)(a) and (b) is—**

- (a)** 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4.108, and
- (b)** 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case.

**(3) The liquidator complies with this paragraph by either—**

- (a)** providing all of the information asked for, or
- (b)** so far as the liquidator considers that—
  - (i)** the time or cost of preparation of the information would be excessive, or
  - (ii)** disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
  - (iii)** the liquidator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information.

**(4) Any creditor, and any member of the company in a members' voluntary winding up, who need not be the same as the creditors or members who asked for the information, may apply to the court within 21 days of—**

- (a)** the giving by the liquidator of reasons for not providing all of the information asked for, or
- (b)** the expiry of the 14 days provided for in paragraph (1), and the court may make such order as it thinks just

(5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks or, as the case may be, 4 weeks provided for in Rule 4.131(1B) or 4.148C(2) by such further period as the court thinks just.

(6) This Rule does not apply where the liquidator is the official receiver.

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

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

(1A) Application may be made on the grounds that—

- (a) the remuneration charged by the liquidator,
- (b) the basis fixed for the liquidator's remuneration under Rule 4.127, or
- (c) expenses incurred by the liquidator, is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate

(1B) The application must, subject to any order of the court under Rule 4.49E(5), be made no later than 8 weeks (or, in a case falling within Rule 4.108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4.49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

(2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application; but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business but which is without notice to any other party. If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly

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

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

- (a) an order reducing the amount of remuneration which the liquidator was entitled to charge,
- (b) an order fixing the basis of remuneration at a reduced rate or amount;
- (c) an order changing the basis of remuneration;
- (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation;
- (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify;

and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report.

(5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation.