

LIQ03

Notice of progress report in voluntary winding up



Companies House

THURSDAY



A15

A7WVFS7E

10/01/2019

#234

COMPANIES HOUSE

1 Company details

Company number 0 5 9 7 9 4 2 6

Company name in full M A Computer Solutions Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Robert

Surname Day

3 Liquidator's address

Building name/number Robert Day and Company Limited

Street The Old Library

The Walk

Post town Winslow

County/Region Buckingham

Postcode M K 1 8 3 A J

Country United Kingdom

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator
Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

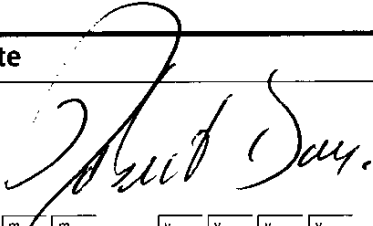
Postcode

Country

② Other liquidator
Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report															
From date	d	1	d	6	m	1	m	2	y	2	y	0	y	1	y	7
To date	d	1	d	5	m	1	m	2	y	2	y	0	y	1	y	8
7	Progress report															
<input checked="" type="checkbox"/> The progress report is attached																
8	Sign and date															
Liquidator's signature	Signature															
												X				
Signature date	d	0	d	8	m	0	m	1	y	2	y	0	y	1	y	9

LIQ03

Notice of progress report in voluntary winding up



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name Robert Day and Company Limited

Address

Post town

County/Region

Postcode

Country

DX

Telephone 0845 226 7331



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

M A Computer Solutions Limited – In Liquidation ('the company')

Company Number: 05979426

Current Registered Office: c/o Robert Day and Company Limited, The Old Library, The Walk, Winslow, Buckingham MK18 3AJ

Previous Registered Office: 7 Kingshill Avenue, St Albans, Hertfordshire AL4 9QE

Trading Address: 19 St Mary's Road, London E10 5RB

Basis of Remuneration: Time Cost

Office Holder Details: Robert Day of Robert Day and Company Limited, The Old Library, The Walk, Winslow, Buckingham MK18 3AJ

Date of Appointment: 16 December 2011

1. Introduction

This report provides creditors with an update on the progress made in the liquidation and an explanation of the work done by the liquidator and his staff during the period 16 December 2017 to 15 December 2018.

This report is intended for use by those parties entitled to a copy thereof under the Insolvency Rules (England and Wales) 2016. It may contain information that is privileged, confidential or exempt from disclosure and any dissemination, distribution or copying of it and its attachments is strictly prohibited. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

Any estimated outcomes for creditors are for illustration only and cannot be relied upon as to the actual outcome for creditors.

Robert Day is authorised in the UK to act as an Insolvency Practitioner by the Institute of Chartered Accountants in England and Wales. All work is conducted in accordance with the Insolvency Code of Ethics.

2. Receipts and Payments Account

A copy of my receipts and payments account for the periods 16 December 2011 to 15 December 2018 inclusive is attached to this report.

3. Planning

I planned to discharge my obligations to creditors by seeking to maximise asset realisations, minimise the input required from me, compatible with complying with the various statutory and professional regulatory requirements which flowed from my appointment and consequently to maximise any return to the creditors.

4. Administration

Details of my appointment were advertised, as required, in the London Gazette, and submitted to Companies House with accompanying documents. I also provided information on my appointment to the insurers who have given me a bond.

The necessary records have been maintained, on behalf of the company, to enable me to file the relevant returns at Companies House made necessary by Section 192 of the Insolvency Act 1986.

5. Asset Realisations

I would refer you to previous progress reports for details of asset realisations made outside the reporting period.

During the reporting period the directors have made repayments totalling £4,000.00 in respect of their overdrawn directors' loan accounts.

The total amount repaid by the directors to date is £24,000.00 with the sum of £6,131.00 still outstanding. Repayments have remained erratic throughout the reporting period however I am confident that the remaining balance will be paid in a timely manner without the need to dilute the funds available to creditors by incurring additional legal fees and disbursements.

I have received a VAT reclaim in the sum of £831.00 during the reporting period. This reclaim is in respect of VAT receivable incurred during the previous reporting period.

A further reclaim of £200.00 has been lodged with HM Revenue & Customs in respect of VAT receivable incurred during the reporting period.

An additional realisation has occurred during the reporting period in the form of bank interest gross totalling £2.83.

6. Liabilities

I have not received any preferential claims in this matter.

I have received 3 claims from unsecured non-preferential creditors totalling £27,970.07.

A second dividend of 25 pence in the pound was declared and paid to all proving unsecured non-preferential creditors whose claims have been agreed and admitted on 14 February 2018.

I will be declaring and paying a third dividend within the next 12 months.

7. Investigations

I would refer you to previous progress reports for details of my investigations in this matter.

No new matters have come to light during the reporting period.

8. Liquidator's Remuneration / Expenses / Payments

The time costs in dealing with the liquidation to 15 December 2018 amount to £21,402.50. This represents 129.7 hours at an average charge out rate of £165.02 per hour. The sum of £20,580.00 has been drawn in respect of these costs in accordance with the resolution passed at the meeting of the company's creditors held on 16 December 2011 with the sum of £1,000.00 having been drawn during the reporting period.

A breakdown of the Liquidator's Time and Charge Out Rates is attached to this report.

No other payments have been made during the reporting period. I would refer you to previous progress reports for details of payments made in prior reporting periods.

The following disbursements have been incurred but are yet to be re-charged to the liquidation:-

Specific Penalty Bond Premium - £300.00
Statutory Advertising (London Gazette) - £170.14

I am required to purchase a bond on all formal insolvency appointments undertaken. The purpose of the bond is to indemnify the creditors of the insolvent estate being administered against losses caused by dishonesty or fraud on the part of the insolvency practitioner. The bond must be for the level of assets potentially available to creditors. In this case I have purchased a £50,000 bond *however there is scope to increase the level of bond should realisations exceed £50,000 which is likely to be the case assuming the outstanding balance on the directors' loan accounts is paid.*

Statutory Advertising costs will be re-charged at the actual cost incurred.

I attach copies of Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016 for your information.

I also attach a further copy of 'A Creditors' Guide to Liquidator's Fees' for your information.

9. Matters Still to be Dealt with / Conclusion

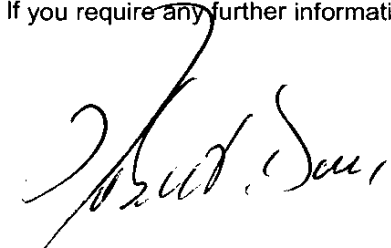
The following matters are still to be dealt with:-

1. Receipt of the remaining payments due in respect of the outstanding directors' loans and
2. The payment of further dividends to unsecured non-preferential creditors as and when asset realisations allow.

I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final progress report whilst giving notice of my intention to finalise my administration of the liquidation at the same time.

It is currently uncertain as to whether matters will be concluded prior to the next anniversary of the liquidation.

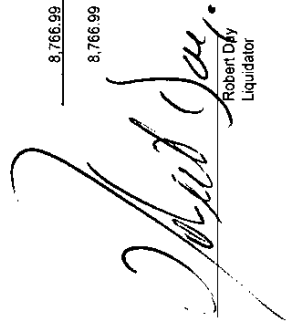
If you require any further information or clarification on any matter please contact me.



Robert Day
Liquidator

M A Computer Solutions Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs	From 16/12/11 To 15/12/12 From 16/12/12 To 15/12/13 From 16/12/13 To 15/12/14 From 16/12/14 To 15/12/15 From 16/12/15 To 15/12/16 From 16/12/16 To 15/12/17 From 16/12/17 To 15/12/18 Total									
	SECURED ASSETS									
	ASSET REALISATIONS									
	Bank Interest Gross	42.08	22.60	4.97	0.43	5.06	3.93	2.83	81.90	
11,973	Cash at Bank and In Hand	16,124.91	0.00	0.00	0.00	0.00	0.00	0.00	16,124.91	
Uncertain	Debtors - Directors' Loans	0.00	3,000.00	1,000.00	3,000.00	5,000.00	8,000.00	4,000.00	24,000.00	
	VAT Reclaimed	1,000.00	400.00	800.00	600.00	673.00	390.00	831.00	4,894.00	
		17,166.99	3,422.60	1,804.97	3,600.43	5,678.06	8,393.93	4,833.83	44,900.81	
	COST OF REALISATIONS									
	Corporation Tax	0.00	0.00	5.30	0.00	0.00	0.00	0.00	5.30	
	Legal Fees & Disbursements	0.00	0.00	0.00	885.00	0.00	155.00	0.00	1,040.00	
	Liquidator's Fees	4,000.00	4,000.00	3,000.00	2,630.00	1,950.00	4,000.00	1,000.00	20,580.00	
	Statement of Affairs Fee	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00	3,000.00	
	VAT Receivable	1,400.00	800.00	600.00	673.00	390.00	831.00	200.00	4,894.00	
		8,400.00	4,800.00	3,605.30	4,188.00	2,340.00	4,986.00	1,200.00	29,519.30	
	PREFERENTIAL CREDITORS									
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	UNSECURED CREDITORS									
	Unsecured Non-Preferential Creditors	0.00	0.00	5,000.00	0.00	0.00	0.00	6,992.52	11,992.52	
	DISTRIBUTIONS									
	Balance in Hand	8,766.99	-1,377.40	-6,800.33	-587.57	3,338.06	3,407.93	-3,358.69	3,388.99	
	REPRESENTED BY									
	Bank 1 Current	8,766.99	-1,377.40	-6,800.33	-587.57	3,338.06	3,407.93	-3,358.69	3,388.99	
		8,766.99	-1,377.40	-6,800.33	-587.57	3,338.06	3,407.93	-3,358.69	3,388.99	


Robert Day
Liquidator

M A Computer Solutions Limited - In Liquidation**Liquidator's Time and Charge Out Summary from 16 December 2017 to 15 December 2018**

Classification of work function	Hours			Time Cost £	Average Hourly Rate £
	Liquidator	Manager	Total Hours		
Administration and Planning	0.3	5.6	5.9	941.50	159.58
Investigations	-	-	-	-	-
Realisation of Assets	-	0.8	0.8	124.00	155.00
Trading	-	-	-	-	-
Creditors	0.9	2.7	3.6	639.00	177.50
Case Specific Matters	-	-	-	-	-
Total Hours	1.2	9.1	10.3	1,704.50	165.49
Total Fees Claimed (£)	294.00	1,410.50	-	-	-

Charge Out Rate Summary

Description	Hourly Rate (£)	Dates
Liquidator	245	16/12/17 - 15/12/18
Manager	155	16/12/17 - 15/12/18

Note - Time costs are calculated at 6 minute units

Post Appointment Disbursements

Disbursements	Incurred	Paid
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Category 1:-

None	£0.00	£0.00
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Category 1 Disbursements are external supplies specifically identifiable to the case.

Where these disbursements have been initially paid by Robert Day and Company Limited and then recharged to the estate approval from creditors is not required.

Category 2 Disbursements include elements of shared or allocated costs incurred by Robert Day and Company Limited and recharged to the estate. They are not attributable to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full, subject to the basis of the disbursement charged being approved by creditors in advance.

It is not the policy of Robert Day and Company Limited to charge Category 2 Disbursements.

[illegible]

M A Computer Solutions Limited - In Liquidation**Liquidator's Time and Charge Out Summary from 16 December 2011 to 15 December 2018**

Classification of work function	Hours			Time Cost £	Average Hourly Rate £
	Liquidator	Manager	Total Hours		
Administration and Planning	12.5	47.9	60.4	9,491.00	157.14
Investigations	1.6	6.2	7.8	1,149.00	147.31
Realisation of Assets	18.1	11.9	30.0	5,557.00	185.23
Trading	-	-	-	-	-
Creditors	9.8	21.7	31.5	5,205.50	165.25
Case Specific Matters	-	-	-	-	-
Total Hours	42.0	87.7	129.7	21,402.50	165.02
Total Fees Claimed (£)	8,933.00	12,469.50	-	-	-

Charge Out Rate Summary

Description	Hourly Rate (£)	Dates
Liquidator	195	16/12/11 - 31/12/14
Liquidator	225	01/01/15 - 31/12/15
Liquidator	245	01/01/16 - 15/12/18
Manager	135	16/12/11 - 31/12/15
Manager	155	01/01/16 - 15/12/18

Note - Time costs are calculated at 6 minute units

Post Appointment Disbursements

Disbursements	Incurred	Paid
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Category 1:-

Specific Penalty Bond	£300.00	£0.00
Statutory Advertising	£170.14	£0.00

Category 1 Disbursements are external supplies specifically identifiable to the case.

Where these disbursements have been initially paid by Robert Day and Company Limited and then recharged to the estate approval from creditors is not required.

Category 2 Disbursements include elements of shared or allocated costs incurred by Robert Day and Company Limited and recharged to the estate. They are not attributable to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full, subject to the basis of the disbursement charged being approved by creditors in advance.

It is not the policy of Robert Day and Company Limited to charge Category 2 Disbursements.

Company Name	Meeting Date	Code	Use	Date	Administration & Planning	Investigation	Reimbursement of Assets	Trading	Creditors	Case specific matters	Description	Monthly Charge Rate	Year
M.A. Computer Solutions Limited	16-Dec-11	648	12	16-Dec-11	1.3						S88 Creditors Meeting / Post Appointment Discussions with Directors	£195.00	£351.00
M.A. Computer Solutions Limited	16-Dec-11	648	13	19-Dec-11	0.9						Post Appointment Documentation to Companies House	£135.00	£121.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	19-Dec-11	0.9		0.4				Letter to Royal Bank of Scotland Plc	£135.00	£108.00
M.A. Computer Solutions Limited	16-Dec-11	648	12	19-Dec-11	0.5						Post Appointment Discussions etc	£195.00	£97.50
M.A. Computer Solutions Limited	16-Dec-11	648	12	19-Dec-11	0.3						Signing	£135.00	£58.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	22-Dec-11	0.4						Regulation 13	£135.00	£144.00
M.A. Computer Solutions Limited	16-Dec-11	648	13	22-Dec-11	0.4						Questionnaires to Director	£135.00	£135.00
M.A. Computer Solutions Limited	16-Dec-11	648	13	22-Dec-11	0.4						Post Appointment Circular to Creditors	£135.00	£135.00
M.A. Computer Solutions Limited	16-Dec-11	648	12	22-Dec-11	0.3					1.2	Signing	£135.00	£135.00
M.A. Computer Solutions Limited	16-Dec-11	648	12	22-Dec-11	0.4						Costs Schedule	£195.00	£98.50
M.A. Computer Solutions Limited	16-Dec-11	648	12	09-Jan-12	0.4						Director's re Loan Account etc	£195.00	£78.00
M.A. Computer Solutions Limited	16-Dec-11	648	12	09-Jan-12	0.4		0.4				Meeting with Accountant re Balance on Loan Account etc	£195.00	£68.00
M.A. Computer Solutions Limited	16-Dec-11	648	13	06-Feb-12	0.8		2.4				Letter to Bank re Opening Estate Account	£135.00	£108.00
M.A. Computer Solutions Limited	16-Dec-11	648	13	06-Feb-12	0.5						Final VAT Return	£135.00	£67.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	01-Mar-12	0.3						Bank Reconciliation	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	09-Mar-12	0.3						Cheque to Bank	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	23-Mar-12	0.3						Company Tax Return Letter	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	18-Apr-12	0.3						Bank Reconciliation	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	09-May-12	0.3						Letter to Director re Loan Account	£135.00	£67.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	11-May-12	0.3					0.5	Review File / Records re D Report / D Return	£135.00	£351.00
M.A. Computer Solutions Limited	16-Dec-11	648	12	30-May-12	2.6						Review / Sign / Discuss D Report	£195.00	£312.00
M.A. Computer Solutions Limited	16-Dec-11	648	13	30-May-12	1.6						D Report	£135.00	£175.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	30-May-12	1.3						Bank Reconciliation	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	20-Jun-12	0.3						Bank Reconciliation	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	20-Jul-12	0.3						Bank Reconciliation	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	14-Aug-12	0.3						Bank Reconciliation	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	07-Sep-12	0.3						Bank Reconciliation	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	09-Oct-12	0.3						Bank Reconciliation	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	12	13-Nov-12	0.6					0.4	Discussions re File Review / Loan Account / Case Moving Forward etc	£195.00	£283.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	13-Nov-12	1.7						File Review / Loan Account etc	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	13-Nov-12	0.5						Bank Reconciliation	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	06-Dec-12	0.3						Bank Reconciliation	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	15-Dec-12	1.6						CT600	£135.00	£216.00
M.A. Computer Solutions Limited	16-Dec-11	648	13	15-Dec-12	0.3						Signing / Review / Discuss Annual Report to Members and Creditors	£135.00	£135.00
M.A. Computer Solutions Limited	16-Dec-11	648	13	15-Dec-12	1.8					1.4	Letter to Director	£135.00	£684.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	15-Dec-12	0.3					3.1	Letter to Director	£135.00	£135.00
M.A. Computer Solutions Limited	16-Dec-11	648	13	15-Dec-12	0.3						Review / Sign / Discuss Letter to Directors	£195.00	£175.50
M.A. Computer Solutions Limited	16-Dec-11	648	12	04-Jan-13	0.9						Director's re Loan Account / E-mail to Director	£195.00	£234.00
M.A. Computer Solutions Limited	16-Dec-11	648	13	09-Jan-13	1.2						Bank Reconciliation	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	07-Feb-13	0.3						Bank Reconciliation	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	11-Mar-13	0.3						Neil Hilder / Dan Parnham re Possible Action against Directors	£135.00	£253.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	12-Apr-13	0.3		1.3				Bank Reconciliation	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	09-May-13	0.3						Meeting with Solicitor re Potential Action re Loan Account	£135.00	£546.00
M.A. Computer Solutions Limited	16-Dec-11	648	13	13-Jun-13	0.3						Bank Reconciliation	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	08-Jul-13	0.3						Bank Reconciliation	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	15-Aug-13	0.3						Bank Reconciliation	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	09-Sep-13	0.8						Letter to Director	£135.00	£108.00
M.A. Computer Solutions Limited	16-Dec-11	648	13	20-Sep-13	0.3						Cheque to Bank	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	25-Sep-13	0.3						Bank Reconciliation	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	08-Oct-13	0.4					0.4	LC re Letter to Director etc	£135.00	£156.00
M.A. Computer Solutions Limited	16-Dec-11	648	12	08-Oct-13	0.4						Letter to Director	£135.00	£175.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	10-Oct-13	1.3						Bank Reconciliation	£135.00	£54.00
M.A. Computer Solutions Limited	16-Dec-11	648	13	05-Nov-13	0.4						Cheque to Bank	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	20-Nov-13	0.3						Bank Reconciliation	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	04-Dec-13	0.3						Cheque to Bank / Director re Loan Account	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	12-Dec-13	0.5						Bank Reconciliation	£135.00	£148.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	09-Jan-14	0.4						Bank Reconciliation	£135.00	£54.00
M.A. Computer Solutions Limited	16-Dec-11	648	13	09-Jan-14	0.8						Bank Reconciliation	£135.00	£108.00
M.A. Computer Solutions Limited	16-Dec-11	648	13	09-Jan-14	0.6						CT600	£135.00	£81.00
M.A. Computer Solutions Limited	16-Dec-11	648	13	09-Jan-14	0.8					2.3	Form 468 to Companies House / Annual Report to Members and Creditors	£135.00	£118.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	09-Jan-14	0.8					1.1	Signing / Review / Discuss Annual Report to Members and Creditors	£195.00	£273.00
M.A. Computer Solutions Limited	16-Dec-11	648	13	29-Jan-14	0.3						Per Corp Tax	£135.00	£67.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	11-Feb-14	0.5						LC re Potential Dividend / File Review / Accountant re Potential Dividend at	£135.00	£253.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	09-Mar-14	0.8					0.5	Cheque to Bank / Review re Creditor Claims / Discuss Potential Dividend	£195.00	£54.00
M.A. Computer Solutions Limited	16-Dec-11	648	13	09-Mar-14	0.4					0.8	Bank Reconciliation	£135.00	£162.00
M.A. Computer Solutions Limited	16-Dec-11	648	13	13-Mar-14	0.4						Notice of Intended Dividend	£135.00	£34.00
M.A. Computer Solutions Limited	16-Dec-11	648	13	02-Apr-14	0.5						Review / Sign / Discuss Notice of Intended Dividend	£135.00	£229.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	02-Apr-14	0.3						Bank Reconciliation	£135.00	£235.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	09-Apr-14	0.3						Bank Reconciliation	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	12-May-14	0.3						Bank Reconciliation	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	12-Jun-14	0.3					2.3	Dividend / Dividend Cheque	£135.00	£134.50
M.A. Computer Solutions Limited	16-Dec-11	648	12	17-Jun-14	1.2						Review / Sign / Dividend Cheque	£195.00	£234.00
M.A. Computer Solutions Limited	16-Dec-11	648	13	09-Jul-14	0.3						Bank Reconciliation	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	14-Jul-14	0.3						Bank Reconciliation	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	18-Aug-14	0.3						Bank Reconciliation	£135.00	£46.50
M.A. Computer Solutions Limited	16-Dec-11	648	13	08-Sep-14	0.3						File Review / Accountant re Loan Account etc	£195.00	£234.00
M.A. Computer Solutions Limited	16-Dec-11	648	13	15-Sep-14	0.3		0.3				Bank Reconciliation	£135.00	£46.50

16-Dec-11	648	13	17-Oct-14	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	13	13-Oct-14	0.6		Letter to Director	£48.50
16-Dec-11	648	13	13-Nov-14	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	13	17-Nov-14	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	13	17-Dec-14	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	13	09-Jan-15	0.8		VAT 426	£108.00
16-Dec-11	648	13	09-Jan-15	0.6		Annual Report	£81.00
16-Dec-11	648	17	09-Jan-15	0.8	1.8	Form 4.68 to Companies House / Annual Report to Members and Creditor	£180.00
16-Dec-11	648	13	09-Jan-15	0.8		Bank Reconciliation	£351.00
16-Dec-11	648	13	13-Jan-15	0.3		Bank Reconciliation	£40.50
16-Dec-11	648	13	13-Jan-15	0.3		Bank Reconciliation	£40.50
16-Dec-11	648	13	11-Feb-15	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	13	11-Mar-15	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	13	31-Jul-15	1.3		Email to Darby Solicitors LLP re Directors Loan Account	£137.50
16-Dec-11	648	17	16-Sep-15	0.7		Stat Demand Etc	£137.50
16-Dec-11	648	13	16-Sep-15	1.4		Director's Email Correspondence / Review Statutory Demand	£189.00
16-Dec-11	648	17	30-Sep-15	0.6		Director's Repairment Terms	£135.00
16-Dec-11	648	13	30-Sep-15	0.4		Director's Correspondence	£34.00
16-Dec-11	648	13	01-Oct-15	0.8		Accountant's DUA	£130.00
16-Dec-11	648	17	07-Oct-15	1.9		Bank Reconciliation	£607.50
16-Dec-11	648	17	20-Nov-15	0.4		Bank Reconciliation	£34.00
16-Dec-11	648	13	20-Nov-15	0.4		Bank Reconciliation	£135.00
16-Dec-11	648	13	20-Nov-15	0.4		Bank Reconciliation	£135.00
16-Dec-11	648	21	07-Dec-15	0.9	2.4	Form 4.68 to Companies House / Annual Report to Creditors	£511.50
16-Dec-11	648	21	07-Dec-15	1.5		Spring / Review / Discuss Annual Report to Members and Creditor	£348.00
16-Dec-11	648	21	07-Jan-16	1.3		VAT 426	£155.00
16-Dec-11	648	21	07-Jan-16	0.8		CT600	£124.00
16-Dec-11	648	21	14-Jan-16	0.4		Bank Reconciliation	£155.00
16-Dec-11	648	21	14-Feb-16	0.4		Bank Reconciliation	£62.00
16-Dec-11	648	21	23-Mar-16	0.3		Bank Reconciliation	£155.00
16-Dec-11	648	21	22-Apr-16	0.3		Bank Reconciliation	£155.00
16-Dec-11	648	21	18-May-16	0.3		Bank Reconciliation	£46.50
16-Dec-11	648	21	21-Jun-16	0.3		Bank Reconciliation	£155.00
16-Dec-11	648	21	19-Jul-16	0.3		Bank Reconciliation	£46.50
16-Dec-11	648	21	16-Aug-16	0.3		Bank Reconciliation	£155.00
16-Dec-11	648	21	20-Sep-16	0.3		Bank Reconciliation	£46.50
16-Dec-11	648	21	21-Sep-16	0.3	0.5	Letter to Director	£77.50
16-Dec-11	648	21	17-Oct-16	0.3		Bank Reconciliation	£155.00
16-Dec-11	648	21	15-Nov-16	1.4		Bank Reconciliation	£46.50
16-Dec-11	648	21	20-Dec-16	0.8		Bank Reconciliation	£155.00
16-Dec-11	648	21	20-Dec-16	0.8		Bank Reconciliation	£155.00
16-Dec-11	648	21	20-Dec-16	0.8		Bank Reconciliation	£155.00
16-Dec-11	648	19	20-Dec-16	0.8	3.4	Form 4.68 to Companies House / Annual Report to Members and Creditor	£651.00
16-Dec-11	648	19	20-Dec-16	0.8	1.5	Spring / Review / Discuss Annual Report to Members and Creditor	£201.50
16-Dec-11	648	21	17-Jan-17	0.3		Letter to Director	£73.50
16-Dec-11	648	21	17-Jan-17	0.3		Knights email Correspondence	£46.50
16-Dec-11	648	21	17-Jan-17	0.3		Bank Reconciliation	£46.50
16-Dec-11	648	21	17-Jan-17	0.3		Bank Reconciliation	£46.50
16-Dec-11	648	21	13-Mar-17	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Apr-17	0.3		Bank Reconciliation	£46.50
16-Dec-11	648	21	25-Apr-17	0.3		Letter to Director	£155.00
16-Dec-11	648	21	26-Apr-17	0.8		Review / Sign / Discuss Letter to Director	£174.00
16-Dec-11	648	19	28-Apr-17	0.5		Review / Sign / Discuss Letter to Director	£272.50
16-Dec-11	648	19	28-Apr-17	2.8		File Review re DUA / Accountant	£245.00
16-Dec-11	648	21	17-May-17	0.3		Bank Reconciliation	£46.50
16-Dec-11	648	21	20-Jun-17	0.3		Bank Reconciliation	£155.00
16-Dec-11	648	21	19-Jul-17	0.3		Bank Reconciliation	£46.50
16-Dec-11	648	21	27-Jul-17	0.3		Bank Reconciliation	£155.00
16-Dec-11	648	19	27-Jul-17	0.8		Letter to Director	£124.00
16-Dec-11	648	21	27-Aug-17	0.5		Review / Sign / Discuss Letter to Director	£245.00
16-Dec-11	648	21	19-Sep-17	0.3		Bank Reconciliation	£46.50
16-Dec-11	648	21	19-Sep-17	0.3		Bank Reconciliation	£46.50
16-Dec-11	648	19	28-Sep-17	0.9		File Review re DUA / Director & Accountant re Possible Full and Final Settlement	£441.00
16-Dec-11	648	21	11-Oct-17	0.3		Bank Reconciliation	£245.00
16-Dec-11	648	21	11-Oct-17	0.3		Bank Reconciliation	£155.00
16-Dec-11	648	21	14-Nov-17	0.4		Bank Reconciliation	£62.00
16-Dec-11	648	21	15-Dec-17	0.3		Bank Reconciliation	£155.00
16-Dec-11	648	21	18-Dec-17	0.4		CT600	£124.00
16-Dec-11	648	21	18-Dec-17	0.8		Form LIQ03 to Companies House / Annual Progress Report to Members and Creditor	£356.50
16-Dec-11	648	21	18-Dec-17	0.3	1.5	Spring / Review / Discuss Annual Progress Report to Members and Creditor	£294.00
16-Dec-11	648	19	18-Dec-17	0.3	0.9	Bank Reconciliation	£155.00
16-Dec-11	648	21	15-Jan-18	0.3		Bank Reconciliation	£46.50
16-Dec-11	648	21	13-Feb-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00
16-Dec-11	648	21	13-Mar-18	0.3		Bank Reconciliation	£135.00

STATUTORY INSTRUMENTS

2016 No. 1024

The Insolvency (England and Wales) Rules 2016

PART 18

REPORTING AND REMUNERATION OF OFFICE-HOLDERS

CHAPTER 2

Progress reports

Creditors' and members' requests for further information in administration, winding up and bankruptcy

18.9.—(1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14—

- (a) a secured creditor;
- (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
- (c) 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;
- (d) any unsecured creditor with the permission of the court; or
- (e) any member of the company in a members' voluntary winding up with the permission of the court.

(2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.

(3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by—

- (a) providing all of the information requested;
- (b) providing some of the information requested; or
- (c) declining to provide the information requested.

(4) The office-holder may respond by providing only some of the information requested or decline to provide the information if—

- (a) the time or cost of preparation of the information would be excessive; or
- (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
- (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
- (d) the office-holder is subject to an obligation of confidentiality in relation to the information.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

(5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.

(6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of--

- (a) the office-holder giving reasons for not providing all of the information requested; or
 - (b) the expiry of the 14 days within which an office-holder must respond to a request.
- (7) The court may make such order as it thinks just on an application under paragraph (6).

STATUTORY INSTRUMENTS

2016 No. 1024

The Insolvency (England and Wales) Rules 2016

PART 18

REPORTING AND REMUNERATION OF OFFICE-HOLDERS

CHAPTER 4

Remuneration and expenses in administration, winding up and bankruptcy

Remuneration and expenses: application to court by a creditor or member on grounds that remuneration or expenses are excessive

18.34. – (1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that –

- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
- (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
- (c) the expenses incurred by the office-holder are in all the circumstances excessive.

(2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable –

- (a) a secured creditor,
- (b) an unsecured creditor with either –
 - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - (ii) the permission of the court, or
- (c) in a members' voluntary winding up –
 - (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - (ii) a member of the company with the permission of the court.

(3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

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 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 fulfil 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 charge-out 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.