

**Liquidator's Progress
Report****S.192****Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986**

To the Registrar of Companies

Company Number

06226628

Name of Company

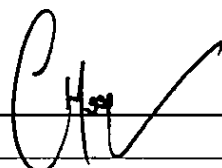
A & G Heat Exchangers Limited

I / We
C H I Moore
Emerald House
20-22 Anchor Road
Aldridge
Walsall
WS9 8PH

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 31/01/2011 to 30/01/2013

Signed



Date

30 JAN 2013

K J Watkin & Co
Emerald House
20-22 Anchor Road
Aldridge
Walsall
WS9 8PH

Ref A134/CHIM/SLB/JRS

WEDNESDAY



A09 06/02/2013 #125
COMPANIES HOUSE

A & G Heat Exchangers Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs		From 31/01/2011 To 30/01/2013
20,650 00	SECURED ASSETS Book Debts	NIL NIL
(19,564 00)	SECURED CREDITORS HSBC Invoice Finance	NIL NIL
150 00	ASSET REALISATIONS Plant & Machinery	150 00
	Retention	2,500 00
	Water Rates Refund	3 33
4,419 00	Cash at Bank	4,404 81
	Bank Interest Gross	3 76
		7,061 90
	COST OF REALISATIONS Preparation of S of A	4,000 00
	Book Keepers Fees	427 50
	Office Holders Fees	2,202 40
	Office Holders Expenses	432 00
		(7,061 90)
(1,900 00)	PREFERENTIAL CREDITORS Employees Wage Arrears	NIL
(796 00)	Employees Holiday Pay	NIL
		NIL
(42,737 00)	UNSECURED CREDITORS Trade & Expense Creditors	NIL
(12,372 00)	Employee claims wages, redundancy	NIL
(775 00)	Directors' Loan Accounts	NIL
(31,909 00)	HM Revenue & Customs - PAYE	NIL
(6,256 00)	HM Revenue & Customs - Tax	NIL
(3,935 00)	HM Revenue & Customs - VAT	NIL
		NIL
(1,000 00)	DISTRIBUTIONS Ordinary Shareholders	NIL
		NIL
(96,025.00)		0.00
	REPRESENTED BY	
		NIL



K. J. Watkin & Co.

Insolvency Practitioners

Emerald House, 20-22 Anchor Road, Aldridge, Walsall WS9 8PH

Telephone 01922 452881 Facsimile 01922 450525

E-mail enquiries@kjwatkin.co.uk

30 January 2013

SLB/KJF/A134/130130a Sta

TO ALL MEMBERS AND CREDITORS

Dear Sirs

A & G Heat Exchangers Limited – In Creditors' Voluntary Liquidation ANNUAL PROGRESS REPORT

This is my report to members and creditors following the end of the second year of the liquidation. My report follows and should be read in conjunction with my report of 22 February 2012.

FURTHER INFORMATION

A non preferential creditor may, with the permission of the court or with the concurrence of 5% in value of the non preferential 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.

A non preferential 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.

Principal C H I Moore B Com (ACC) Birmingham, MABRP

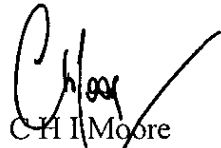
Licensed by The Institute of Chartered Accountants in England & Wales

Senior Managers R J Eccleston FCA, MICM, MABRP • S L Byrne FICM, AABRP • P M D'Arcy FIPA, FNARA, FABRP

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If members or creditors have any queries regarding this report or the conduct of the liquidation in general, they should contact Susan Byrne on 01922 452881

Yours faithfully
For and on behalf of
A & G Heat Exchangers Limited



C H I Moore
Liquidator

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A & G Heat Exchangers Limited – In Creditors' Voluntary Liquidation
Liquidator's Annual Report to Members and Creditors
For the year ending 30 January 2013

STATUTORY INFORMATION

Company name	A & G Heat Exchangers Limited
Registered office	Emerald House 20-22 Anchor Road Aldridge Walsall WS9 8PH
Former registered office	Unit 17 Tilecross Trading Estate Tile Cross Road Marston Green Birmingham B33 ONW
Registered number	06226628
Liquidator's name	C H I Moore
Liquidator's address	Emerald House 20-22 Anchor Road Aldridge Walsall WS9 8PH
Liquidator's date of appointment	31 January 2011

RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 31 January 2011 to 30 January 2013 is attached at Appendix 1

ASSETS

	Statement of Affairs Estimated to Realise £	Realised to date £
Plant and Machinery	150	150 00
Retention	-	2,500 00
Water Rates Refund	-	3 33
Cash at Bank	4,419	4,404 81
Bank Interest Gross	-	3 76

LIABILITIES

Preferential Creditors

The Statement of Affairs anticipated £2,696 in preferential creditors Claims totalling £2,494 40 have been received

Crown Creditors

The Statement of Affairs included £35,844 owed to HMRC HMRC's claims of £35,823 61 have been received

Non Preferential Creditors

A full list of non preferential creditors showing Statement of Affairs balances, subsequent claims and agreed claims is attached at Appendix 2

LIQUIDATOR'S ACTIONS SINCE APPOINTMENT

There was a book debt due of £1,159 44 from Tempera-Tech I wrote and telephoned this debtor but could not get any satisfactory reply

I therefore sent the details to a solicitor on a no collection no fee basis They were also unable to get a satisfactory reply and it was considered uneconomical to pursue this debt through the Court

The factoring company collected sufficient debts to discharge their fees and re-assigned a retention of £2,500 to me for collection This has now been paid

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

There were no matters that justified further investigation in the circumstances of this appointment

The Liquidator has a duty to investigate the affairs of the Company prior to the Liquidation and submit a report to the Insolvency Service on the conduct of those persons who were a director or shadow director in the three years prior to Liquidation. I confirm that the Liquidator has complied with the above matters although we are not at liberty to disclose the nature or content of the reports to the Insolvency Service. The detailed investigation matters as set out in Statement of Insolvency Practice 2 have now been completed. There were no matters arising from the investigations which require the Liquidator to take further action which would provide additional funds for the creditors

PRE-APPOINTMENT REMUNERATION

The members previously authorised the payment of a fee of £4,000 for assistance with the Statement of Affairs and producing and circulating the notices for the meetings of members and creditors prior to my appointment at a meeting held on 14 January 2011 and agreed by creditors at the meeting held on 31 January 2011. This fee has been paid

LIQUIDATOR'S REMUNERATION

My remuneration was previously authorised by members at a meeting held on 14 January 2011 to be drawn on a time cost basis and agreed by creditors at the meeting held on 31 January 2012. My total time costs to 30 January 2013 amount to £12,229.50, which have been charged at an average charge out rate of £178.53, of which £5,222 was charged in the period between 31 January 2012 and 30 January 2013. I have drawn £2,202.40 to date of which £2,202.40 was drawn in the period between 31 January 2012 and 30 January 2013. A schedule of my time costs incurred to date is attached as Appendix 3

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

- 1 Administration and Planning
 - Appointment notification
 - Maintenance of records
 - Statutory reporting
 - Statement of affairs
 - Estate cashier
 - Correspondence/admin
 - Closure
 - Legal
 - Statutory meetings
 - Other meetings
 - S98 meeting
- 2 Investigations
 - SIP 2 review
 - CDDA reports
- 3 Realisation of Assets
 - Identifying, securing and insuring
 - ROT
 - Debt collection
 - Sale of property, business and assets
- 4 Trading
 - Management of operations
 - Accounting for trading
 - On-going employee issues
- 5 Creditors
 - Claims inc employees, prefs
 - Employee issues
 - Claims
 - Pensions

In addition to the routine work above, I have spent additional time as follows

Attempting to collect the book debt and chasing the factoring company

A copy of 'A Creditors Guide to Liquidators' Fees' published by the Association of Business Recovery Professionals together with an explanatory note which shows K J Watkin & Co's fee policy are attached to this report at Appendix 4 This is revised on 1 January every year and the previous years rates are shown as a comparative

LIQUIDATOR'S EXPENSES

My expenses to 30 January 2013 amount to £432, of which £Nil was incurred in the period between 31 January 2012 and 30 January 2013. I have drawn £310 for the advertisements, £10 for swearing the Statement of Affairs, £60 for the specific bond and £52 for travel in the period between 31 January 2011 and 30 January 2012.

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

Professional Advisor	Nature of Work	Fee Arrangement
Bookworms	End of Year Returns	Fixed fee

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

A non preferential creditor may, with the permission of the court or with the concurrence of 5% in value of the non preferential 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.

A non preferential 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

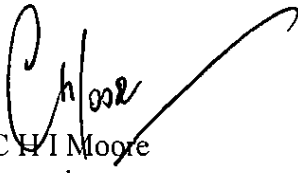
Preferential creditors – none

Ordinary non preferential creditors – none

SUMMARY

The liquidation will now be closed and a final report sent shortly

Should you have any queries regarding this matter please contact Susan Byrne on 01922 452881



C H I Moore
Liquidator

A & G Heat Exchangers Limited
(In Liquidation)

Summary of Receipts & Payments

RECEIPTS	Statement of Affairs (£)	From 31/01/2011 To 30/01/2012 (£)	From 31/01/2012 To 30/01/2013 (£)	Total (£)
Plant & Machinery	150 00	150 00	0 00	150 00
Retention		0 00	2,500 00	2,500 00
Water Rates Refund		3 33	0 00	3 33
Cash at Bank	4,419 00	4,404 81	0 00	4,404 81
Bank Interest Gross		2 17	1 59	3 76
		4,560 31	2,501 59	7,061 90
PAYMENTS				
Preparation of S of A		0 00	4,000 00	4,000 00
Book Keepers Fees		427 50	0 00	427 50
Office Holders Fees		0 00	2,202 40	2,202 40
Office Holders Expenses		432 00	0 00	432 00
		859 50	6,202 40	7,061 90
Net Receipts/(Payments)		3,700 81	(3,700 81)	0 00
MADE UP AS FOLLOWS				
VAT Receivable		86 40	1,240 48	1,326 88
VAT Payable		(30 00)	0 00	(30 00)
Vat Control Account		(56 40)	(1,240 48)	(1,296 88)
		0 00	0 00	0 00

K J.Watkin & Co
A & G Heat Exchangers Limited
Creditor Claims Summary Report

Key	Name	Rep. By	S of A £	Claim £	Agreed Claim £
CA00	4D Air Products Limited		155 10	0 00	0 00
CA01	Accurate Section Benders Ltd		103 40	103 40	103 40
CA02	Air Products Plc		86 61	0 00	0 00
CA03	Air Tools & Compressor Services		243 16	0 00	0 00
CA04	AJH Services		528 75	0 00	0 00
CA05	Alutec UK Limited		1,139 00	0 00	0 00
CA06	APV UK Limited		1,990 45	0 00	0 00
CA07	ARC Welding Services Limited		1,290 85	1,290 85	1,290 85
CA08	Mr S Alder		207 22	0 00	0 00
CB00	Birmingham Laser Cutting Limited		47 00	0 00	0 00
CB01	BOC Limited		200 03	0 00	0 00
CB02	British Telecom		310 90	0 00	0 00
CB03	BSA Tuberunner		50 53	0 00	0 00
CC00	Classic Coils Limited		399 50	0 00	0 00
CC01	Cromwell Tools Ltd		617 54	617 54	617 54
CD00	Dyer Fasteners		221 49	0 00	0 00
CE00	MSL Group		293 75	293 75	293 75
CE01	E ON Energy Limited		0 00	35 92	35 92
CF00	Flora Motor Hire Limited		251 13	0 00	0 00
CF01	Fabricast Group Ltd		672 00	672 00	672 00
CG00	Greenwoods (Coleshill) Limited		8 21	0 00	0 00
CG01	GTEC Engineering Ltd		211 50	211 50	0 00
CG02	Geo Coil Srl		2,898 10	0 00	0 00
CG03	Mr G L Griffiths		568 20	0 00	0 00
CH00	HM Customs & Excise		3,935 34	14,085 64	14,085 64
CH01	HM Revenue & Customs (CT)		6,256 00	0 00	Agreed Nil Claim
CH02	HM Revenue & Customs		31,909 78	21,737 97	21,737 97
CL00	Lister Gases Ltd		134 25	134 25	134 25
CL01	Lyreco UK Limited		250 16	0 00	0 00
CL02	London Borough of Merton		64 62	0 00	0 00
CM00	Mark Blackbird		2,373 50	0 00	0 00
CN00	The National Insurance Fund		0 00	11,294 82	11,294 82
CP00	PHE Polymer (UK) Limited		595 21	604 70	604 70
CP01	Premium Credit Limited		0 00	671 01	671 01
CQ00	QMS International		23 00	0 00	0 00
CS00	Smith Brothers Stores Limited		5,763 36	0 00	0 00
CS01	Sondex (UK) Limited		1,031 30	0 00	0 00
CS02	Speedy Asset Services Limited		435 27	0 00	0 00
CS03	Straw and Pearce		0 00	0 00	0 00
CT00	TJH Welding		2,096 25	0 00	0 00
CT01	Towergate TLC		555 00	0 00	0 00
CT02	Transtherm Cooling Industries		3,158 05	0 00	0 00
CU00	Universal Sheet Metal Limited		47 00	0 00	0 00
CW00	Wolverine Tube Europe BV		12,967 44	12,967 44	12,967 44
CZ00	Zurich Risk Services		1,523 75	0 00	0 00
45 Entries Totalling			85,613.70	64,720 79	64,509 29

SIP 9 - Time & Cost Summary

Period 31/01/11 30/01/13

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	1 20	12 00	9 50	22 60	45 30	7,351 00	162 27
Investigations	0 80	3 50	0 00	0 60	4 90	1,196 00	244 08
Realisations of assets	0 00	6 10	0 00	2 90	9 00	1,765 00	196 11
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	0 00	6 90	0 00	2 40	9 30	1,917 50	206 18
Case specific matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours	2 00	28 50	9 50	28 50	68 50	12,229 50	178 53
Total Fees Claimed						2 202 40	

A CREDITORS' GUIDE TO LIQUIDATORS' FEES

ENGLAND AND WALES

1 Introduction

- 1 1 When a company goes into liquidation the costs of the proceedings are paid out of its assets. The creditors, who hope to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as liquidator. The insolvency legislation recognises this interest by providing mechanisms for creditors to fix the basis of the liquidator's fees. This guide is intended to help creditors be aware of their rights to approve and monitor fees, explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the liquidator and challenge those they consider to be excessive.

2 Liquidation procedure

- 2 1 Liquidation (or 'winding up') is the most common type of corporate insolvency procedure. Liquidation is the formal winding up of a company's affairs entailing the realisation of its assets and the distribution of the proceeds in a prescribed order of priority. Liquidation may be either voluntary, when it is instituted by resolution of the shareholders, or compulsory, when it is instituted by order of the court.
- 2 2 Voluntary liquidation is the more common of the two. An insolvent voluntary liquidation is called a creditors' voluntary liquidation (often abbreviated to 'CVL'). In this type of liquidation an insolvency practitioner acts as liquidator throughout and the creditors can vote on the appointment of the liquidator at the first meeting of creditors.
- 2 3 In a compulsory liquidation on the other hand, the function of liquidator is, in most cases, initially performed not by an insolvency practitioner but by an official called the official receiver. The official receiver is an officer of the court and an official belonging to The Insolvency Service. In most compulsory liquidations, the official receiver becomes liquidator immediately on the making of the winding-up order. Where there are significant assets an insolvency practitioner will usually be appointed to act as liquidator in place of the official receiver, either at a meeting of creditors convened for the purpose or directly by The Insolvency Service on behalf of the Secretary of State. Where an insolvency practitioner is not appointed the official receiver remains liquidator.
- 2 4 Where a compulsory liquidation follows immediately on an administration the court may appoint the former administrator to act as liquidator. In such cases the official receiver does not become liquidator. An administrator may also subsequently act as liquidator in a CVL.

3 The liquidation committee

- 3 1 In a liquidation (whether voluntary or compulsory) the creditors have the right to appoint a committee called the liquidation committee, with a minimum of 3 and a maximum of 5 members, to monitor the conduct of the liquidation and approve the liquidator's fees. The committee is usually established at the creditors' meeting which appoints the liquidator, but in cases where a liquidation follows immediately on an administration any committee established for the purposes of the administration will continue in being as the liquidation committee.
- 3 2 The liquidator must call the first meeting of the committee within 6 weeks of its establishment (or his appointment if that is later), and subsequent meetings must be held either at specified dates agreed by the committee, or when requested by a member of the committee, or when the liquidator decides he needs to hold one. The liquidator is required to report to the committee at least every 6 months on the

progress of the liquidation, unless the committee directs otherwise. This provides an opportunity for the committee to monitor and discuss the progress of the insolvency and the level of the liquidator's fees.

4 Fixing the liquidator's remuneration

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

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

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

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

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

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

4.3 If the remuneration is not fixed as above, it will be fixed in one of the following ways. In a CVL, it will be fixed by the court on application by the liquidator, but the liquidator may not make such an application unless he has first tried to get his remuneration fixed by the committee or creditors as described above, and in any case not later than 18 months after his appointment. In a compulsory liquidation, it will be in accordance with a scale set out in the Rules.

4.4 Where the liquidation follows directly on from an administration in which the liquidator had acted as administrator, the basis of remuneration fixed in the administration continues to apply in the liquidation (subject to paragraph 8 below).

5 Review of remuneration

Where there has been a material and substantial change in circumstances since the basis of the liquidator's remuneration was fixed, the liquidator may request that it be changed. The request must be made to the same body as initially approved the remuneration, and the same rules apply as to the original approval.

6 What information should be provided by the liquidator?

6 1 When fixing bases of remuneration

- 6 1 1 When seeking agreement for the basis or bases of remuneration, the liquidator should provide sufficient supporting information to enable the committee or the creditors to make an informed judgement as to whether the basis sought is appropriate having regard to all the circumstances of the case. The nature and extent of the information provided will depend on the stage during the conduct of the case at which approval is being sought. The appendix to this guide sets out a suggested format for the provision of information.
- 6 1 2 If any part of the remuneration is sought on a time costs basis, the liquidator should provide details of the minimum time units used and current charge-out rates, split by grades of staff, of those people who have been or who are likely to be involved in the time costs aspects of the case.
- 6 1 3 The liquidator should also provide details and the cost of any work that has been or is intended to be sub-contracted out that could otherwise be carried out by the liquidator or his or her staff.
- 6 1 4 If work has already been carried out, the liquidator should state the proposed charge for the period to date and provide an explanation of what has been achieved in the period and how it was achieved, sufficient to enable the progress of the case to be assessed and whether the proposed charge is reasonable in the circumstances of the case. Where the proposed charge is calculated on a time costs basis, the liquidator should disclose the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. The liquidator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the liquidator or his or her staff.

6 2 After the bases of remuneration have been fixed

The liquidator is required to send progress reports to creditors at specified intervals (see paragraph 7 1 below). When reporting periodically to creditors, in addition to the matters specified in paragraph 7 1, the liquidator should provide an explanation of what has been achieved in the period under review and how it was achieved, sufficient to enable the progress of the case to be assessed. Creditors should be able to understand whether the remuneration charged is reasonable in the circumstances of the case (whilst recognising that the liquidator must fulfil certain statutory obligations and regulatory requirements that might be perceived as bringing no added value for the estate). Where any remuneration is on a time costs basis, the liquidator should disclose the charge in respect of the period, the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. If there have been any changes to the charge-out rates during the period under review, rates should be disclosed by grades of staff, split by the periods applicable. The liquidator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the liquidator or his or her staff.

6 3 Disbursements and other expenses

- 6 3 1 Costs met by and reimbursed to the liquidator in connection with the liquidation should be appropriate and reasonable. Such costs will fall into two categories:
- **Category 1 disbursements** These are costs where there is specific expenditure directly referable both to the liquidation and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the liquidator or his or her staff.

- **Category 2 disbursements** These are costs that are directly referable to the liquidation but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the liquidation on a proper and reasonable basis, for example, business mileage.

Category 1 disbursements can be drawn without prior approval, although the liquidator should be prepared to disclose information about them in the same way as any other expenses. Category 2 disbursements may be drawn if they have been approved in the same manner as the liquidator's remuneration. When seeking approval, the liquidator should explain, for each category of expense, the basis on which the charge is being made.

6.3.2 The following are not permissible

- a charge calculated as a percentage of remuneration,
- an administration fee or charge additional to the liquidator's remuneration,
- recovery of basic overhead costs such as office and equipment rental, depreciation and finance charges.

6.4 Realisations for secured creditors

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

7 Progress reports and requests for further information

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

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

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

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

- the time and cost involved in preparing the information would be excessive, or

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

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

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

8 Provision of information – additional requirements

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

The information which must be provided is –

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

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

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

9 What if a creditor is dissatisfied?

- 9 1 Except in cases where there is a liquidation committee it is the creditors as a body who have authority to approve the liquidator's fees. To enable them to carry out this function they may require the liquidator to call a creditors' meeting. In order to do this at least ten per cent in value of the creditors must concur with the request, which must be made to the liquidator in writing
- 9 2 If a creditor believes that the liquidator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the liquidator are in all the circumstances excessive he may, provided certain conditions are met, apply to the court
- 9 3 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the liquidator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 7 1 above). If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the liquidator a copy of the application and supporting evidence at least 14 days before the hearing
- 9 4 If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not out of the assets of the insolvent company

10 What if the liquidator is dissatisfied?

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

11 Other matters relating to remuneration

- 11.1 Where the liquidator realises assets on behalf of a secured creditor he is entitled to be remunerated out of the proceeds of sale in accordance with a scale set out in the Rules. Usually, however, the liquidator will agree the basis of his fee for dealing with charged assets with the secured creditor concerned.
- 11.2 Where two (or more) joint liquidators are appointed it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute between them may be referred to the court, the committee or a meeting of creditors.
- 11.3 If the appointed liquidator is a solicitor and employs his own firm to act in the insolvency, profit costs may not be paid unless authorised by the committee, the creditors or the court.
- 11.4 If a new liquidator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new liquidator until a further determination, resolution or court order is made.
- 11.5 Where the basis of the remuneration is a set amount, and the liquidator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing liquidator. The application must be made to the same body as approved the remuneration. Where the outgoing liquidator and the incoming liquidator are from the same firm, they will usually agree the apportionment between them.
- 11.6 There may also be occasions when creditors will agree to make funds available themselves to pay for the liquidator to carry out tasks which cannot be paid for out of the assets, either because they are deficient or because it is uncertain whether the work undertaken will result in any benefit to creditors. Arrangements of this kind are sometimes made to fund litigation or investigations into the affairs of the insolvent company. Any arrangements of this nature will be a matter for agreement between the liquidator and the creditors concerned and will not be subject to the statutory rules relating to remuneration.

12 Effective date

This guide applies where a company goes into liquidation on or after 1 November 2011.

Appendix

Suggested format for the provision of information

Professional guidance issued to insolvency practitioners sets out the following suggested format for the provision of information when seeking approval of remuneration. However, the level of disclosure suggested below may not be appropriate in all cases, and will be subject to considerations of proportionality. In larger or more complex cases the circumstances of each case may dictate the information provided and its format.

Narrative overview of the case

In all cases, reports on remuneration should provide a narrative overview of the case. Matters relevant to an overview are:

- the complexity of the case,
- any exceptional responsibility falling on the liquidator,
- the liquidator's effectiveness,
- the value and nature of the property in question.

The information provided will depend upon the basis or bases being sought or reported upon, and the stage at which it is being provided. An overview might include:

- an explanation of the nature, and the liquidator's own initial assessment, of the assignment (including the anticipated return to creditors) and the outcome (if known),
- initial views on how the assignment was to be handled, including decisions on staffing or subcontracting and the appointment of advisers,
- any significant aspects of the case, particularly those that affect the remuneration and cost expended,
- the reasons for subsequent changes in strategy,
- the steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, and fee drawing,
- any existing agreement about remuneration,
- details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees,
- in a larger case, particularly if it involved trading, considerations about staffing and managing the assignment and how strategy was set and reviewed,
- details of work undertaken during the period,
- any additional value brought to the estate during the period, for which the liquidator wishes to claim increased remuneration.

Time cost basis

Where any part of the remuneration is or is proposed to be calculated on a time costs basis, requests for and reports on remuneration should provide:

- An explanation of the liquidator's time charging policy, clearly stating the units of time that have been used, the grades of staff and rates that have been charged to the assignment, and the policy for recovering the cost of support staff. There is an expectation that time will be recorded in units of not greater than 6 minutes.
- A description of work carried out, which might include:
 - details of work undertaken during the period, related to the table of time spent for the period,
 - an explanation of the grades of staff used to undertake the different tasks carried out and the reasons why it was appropriate for those grades to be used,
 - any comments on any figures in the summary of time spent accompanying the request the liquidator wishes to make.
- Time spent and charge-out summaries, in an appropriate format.

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

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

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

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

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

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

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

K J Watkin & Co

Disclosure of information in accordance with current regulatory guidance under the codes of Best Practice (SIP 9)

In accordance with the current code of best practice Directors, Shareholders and Creditors are advised that Office Holder's Fees are charged in six minute units at varying rates depending upon the grade of staff allocated to a specific task Charge out rates are maintained for a period of 12 months by K J Watkin & Co and are subject to review on 1 January each year The following equivalent hourly charge out rates are applicable with effect from 1 January 2013 The comparable rates for the previous year are also disclosed

Grade of Staff	2013 £	2012 £
Partner	375	350
Senior Manager	295	275
Manager	250	225
Assistant Manager	215	200
Senior Administrator	185	175
Cashier	175	150
Administrator	125	120
Administrative Assistant	105	100
Assistant Administrator	85	80
Clerical Assistant	85	80

Staff are allocated work in each insolvency in accordance with their qualification, skills and experience

During the course of the administration of a case there will be various category 1 disbursements incurred by K J Watkin & Co These will be recharged to the estate at cost These disbursements will include such things as, but not restricted to -

Statutory Advertising
Insurance Bonding
Bank Charges
Postage

Additionally, K J Watkin & Co will recharge to the estate various category 2 disbursements at prevailing rates These are currently restricted to costs under the following headings -

		2013 £	2012 £
Searches	per search	20	20
Travelling	per mile	50p	50p
Storage	per quarter per box	15	15
Room hire for statutory meetings	per meeting	175	150