Form 4.72

Section 106 The Insolvency Act 1986

Return of Final Meeting in a Creditors' Voluntary Winding Up Pursuant to Section 106 of the Insolvency Act 1986

S106

For Official Use

To the Registrar of Companies

Company Number

06508433

Name of Company

ABMDOTCOM Limited

I / ~~We~~
Kate Elizabeth Breese
Oxford Chambers
Oxford Road
Guiseley
Leeds
LS20 9AT

give notice

1 that a general meeting of the company was ~~held on~~/summoned for 02 February 2012 pursuant to section 106 of the Insolvency Act 1986, for the purpose of having an account (of which a copy is attached) laid before it showing how the winding up of the company has been conducted, and the property of the company has been disposed of and that the same was done accordingly / no quorum was present at the meeting

2 that a meeting of the creditors of the company was duly held on /~~summoned for~~ 02 February 2012 pursuant to section 106 of the Insolvency Act 1986 for the purpose of having the said account laid before it showing how the winding up of the company has been conducted and the property of the company disposed of and that the same was done accordingly / no quorum was present at the meeting

Signed KEBreese Date 02 February 2012

Walsh Taylor
Oxford Chambers
Oxford Road
Guiseley
Leeds
LS20 9AT

Ref ABM0001/KB/ZC/MJK

For Official Use

MONDAY

A12L5XSA
A05 13/02/2012 #154
COMPANIES HOUSE

ABMDOTCOM. Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments
From 11 June 2010 To 2 February 2012

S of A £		£	£
	HIRE PURCHASE		
18,000 00	Range Rover Sport	NIL	
(23,979 00)	Carlisle Finance	NIL	
NIL	Office Equipment	NIL	
			NIL
	ASSET REALISATIONS		
1,100 00	Furniture & Equipment	843 00	
500 00	Stock	NIL	
20,000 00	Contracts / Work in progress	15,327 27	
386 00	Cash at bank	NIL	
	Cash at Bank	1,737 97	
	Bank Interest Gross	2 35	
			17,910 59
	COST OF REALISATIONS		
	Companies House Search Fees	10 00	
	Petitioners Costs	1,500 00	
	Specific Bond	210 00	
	Accountants Fees	2,500 00	
	Preparation of S of A	7,339 50	
	Liquidators Fees	4,824 28	
	Mileage	28 82	
	Liquidators Disbs	30 33	
	Agents/Valuers Fees (1)	700 00	
	Postage (Cat 1)	36 46	
	Stationery (Cat 2)	214 95	
	Storage Costs	257 66	
	Statutory Advertising	258 59	
			(17,910 59)
	UNSECURED CREDITORS		
(123,224 00)	Trade & Expense Creditors	NIL	
(18,214 00)	HMRC VAT	NIL	
(23,521 00)	HMRC PAYE	NIL	
			NIL
	DISTRIBUTIONS		
(100 00)	Ordinary Shareholders of £1 each	NIL	
			NIL
(149,052 00)			**0.00**
	REPRESENTED BY		
			NIL

ABMDOTCOM. Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments
From 11 June 2010 To 2 February 2012

S of A £		£	£

I confirm that the above account has been reconciled with the account held by the Secretary of State

Kate Elizabeth Breese
Liquidator

ABMDOTCOM. Limited
(In Liquidation)
Supplementary Information

Registered Office / Home Address
3 Park Square
Leeds
West Yorkshire
LS1 2NE

Registered Number
06508433

Appointment Details
First Partner - Kate Elizabeth Breese
Oxford Chambers
Oxford Road
Guiseley
Leeds
LS20 9AT
Appointment Date - 28/03/2011

Changes to Office Holders
Timothy Calverley ceased on 28/03/2011

Additional Information

Dividends / Distributions / Consigned Funds

Dividend Type	Date	Admitted	Paid	p in £

No Dividends Paid

Unrealisable Assets

Details of Basis of Remuneration

Statement of Remuneration / Expenses
For period 11/06/2010 to 02/02/2012

Account	Incurred In Period	Accrued In Period For Last Period	Accrued In Period	Total In Period
Cash at Bank	13,017 51	0 00	0 00	13,017 51
Companies House Search Fees	10 00	0 00	0 00	10 00
Petitioners Costs	1,500 00	0 00	0 00	1,500 00
Specific Bond	210 00	0 00	0 00	210 00
Accountants Fees	2,500 00	0 00	0 00	2,500 00
Preparation of S of A	7,339 50	0 00	0 00	7,339 50

ABMDOTCOM. Limited
(In Liquidation)
Statement of Remuneration / Expenses
For period 11/06/2010 to 02/02/2012

Account	Incurred In Period	Accrued In Period For Last Period	Accrued In Period	Total In Period
Liquidators Fees	4,824 28	0 00	0 00	4,824 28
Mileage	28 82	0 00	0 00	28 82
Liquidators Disbs	30 33	0 00	0 00	30 33
Agents/Valuers Fees (1)	700 00	0 00	0 00	700 00
Postage (Cat 1)	36 46	0 00	0 00	36 46
Stationery (Cat 2)	214 95	0 00	0 00	214 95
Storage Costs	257 66	0 00	0 00	257 66
Statutory Advertising	258 59	0 00	0 00	258 59
	30,928 10	0 00	0 00	30,928 10

ABMDOTCOM. Limited - In Liquidation

Company No: 06508433

Liquidator's Final Report

Pursuant to S106 of the Insolvency Act 1986

2 February 2012

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ENCLOSURES

A Liquidator's Receipts and Payments Account for the Period 11 June 2010 to 2 February 2012

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D Liquidator's Disbursements and Expenses

E Walsh Taylor's Charging and Disbursement Rates

F Creditors' Guide to Fees (including a Statement of Creditors' Rights)

Introduction

1 1 This report provides an update on the progress in the liquidation of ABMDOTCOM Limited (the **Company**) At the first meeting of creditors held on 11 June 2010 Mr T Calverley of Walsh Taylor was appointed Liquidator of the Company

1 2 I was appointed Liquidator of the Company by Order of the High Court on 28 March 2011 replacing Mr T Calverley The effect of the Order is that Mr Calverley ceased to be Liquidator on that date and I became Liquidator in his place A Copy of the Order will be made available upon receipt of a written request to this office

1 3 I enclose at Appendix A an account of the Liquidator's Receipts and Payments for the period ended 2 February 2012 with a comparison to the Directors' Statement of Affairs values In order to save costs, this information is provided in aggregate for the period of the Liquidation as a whole

1 4 Under the terms of the Court Order, any creditor may apply to Court for an order that Mr Calverley or myself provide separate summaries of our receipts and payments accounts In that event, the cost of our doing so to be dealt with as an expense of the winding up Walsh Taylor will, in practice, be happy to provide this information to any creditor requiring it on written request to this office

1 5 Any creditor who may wish to apply to vary or discharge the Order has liberty to do so however this must be done within 21 days of receipt of this report

2 Realisation of Assets

2 1 The Company's assets were shown by the Directors in their estimated statement of affairs as at 11 June 2010 to be

Asset Type	**Book Value**	**Estimated To Realise**
	£	**£**
Furniture & Equipment	12,237	1,400
Stock	-	500
Contracts/ Work in Progress	20,000	20,000
Cash at Bank	386	386

2 2 The contracts/work in progress, furniture & equipment and stock was sold to Andy's Business Machines Limited on 6 July 2010, following independent advice from Michael Steel & Co for £16,170 27 plus VAT The sale price was allocated as follows

Asset Type	Realised £
Furniture & Equipment	843 00
Contracts/ Work in Progress	15,327 27

2 3 I advise that in accordance with Statement of Insolvency Practice 13 (SIP 13), Andrew Hinchliff, Director and Shareholder of the Company at the time of the aquisition is the husband of Melody Jane Hinchliff, Director of Andy's Business Machines Limited

2 4 The sum of £1,737 97 has been received in respect of cash at bank

2 5 Total asset realisations achieved in this liquidation therefore are £17,908 24

3 **Investigations**

3 1 In accordance with the Company Directors Disqualification Act 1986 the liquidator has submitted a report on the conduct of the Directors of the Company to the DTI As this is a confidential report, I am not able to disclose the contents

3 2 The Liquidator also has a duty to investigate the extent of the Company's assets including potential claims against third parties including the Director(s), and to report her findings, subject to considerations of privilege and confidentiality and whether those investigations and/or any potential litigation might be compromised

3 3 If you are aware of any matters in connection with the Directors' conduct, which you may think relevant to my investigations, please advise me in writing This request forms part of the Liquidator's usual investigation procedures and does not imply any criticism of the Directors

4 **Creditors**

Secured Creditors

4 1 There were no secured creditors in this liquidation

Preferential Creditors

4 2 The National Insurance Fund claims the sum of £1,028 preferentially in respect of payments made to former employees of the Company for claims for wages and holiday pay

Unsecured Creditors

4 3 The Liquidator has received claims totalling £68,613 43 from eight creditors I have yet to receive claims from 15 creditors whose debts total £129,144 80 as per the Directors' Statement of Affairs

Notice of no dividend

4 4 Creditors have received a formal Notice of No Dividend under separate cover

5 **Liquidator's Remuneration, Disbursements and Expenses**

Basis of the Liquidator's remuneration

5 1 At the initial meeting of creditors held pursuant to Section 98 of the Act on 11 June 2010 it was resolved that the Liquidator would be remunerated by reference to the time properly spent in dealing with this matter at Walsh Taylor's standard charging rates, and that his

disbursements would be drawn in accordance with Walsh Taylor's standard tariff (see Appendix E)

5 2 There have been no increases to Walsh Taylor's charge out rates or disbursement tariff since then

5 3 The aforementioned bases of remuneration and disbursements also apply to myself as successor Liquidator

Remuneration charged and disbursements incurred

5 4 In aggregate, the Liquidator's post liquidation time costs as at 2 February 2012 total £15,151 00 in respect of 106 48 hours at an average hourly rate of £141 86 A detailed breakdown is attached at Appendix C

5 5 Disbursements incurred are summarised at Appendix D

Remuneration and disbursements drawn

5 6 As at the date of this report the sum of £4,824 28 has been drawn by way of Liquidator's remuneration

5 7 Details of disbursements drawn are set out in Appendix D

Liquidation expenses charged and drawn

5 8 Details of the costs incurred and paid by the Liquidator in re lation to liquidation expenses are also attached at Appendix D

5 9 I comment specifically that at the first meeting of creditors held on 8 June 2010 it was resolved that the fees and disbursements of Walsh Taylor for assisting the Directors in convening the statutory meetings to place the Company into liquidation and for assistance in preparing the Statement of Affairs would be up to £10,000 plus VAT, to be paid out of the assets of the Company, together with disbursements incurred

5 10 Accordingly, the sum of £7,339 50 plus VAT has been drawn in this respect

Creditors' Guide to Fees and Statement of Creditors' rights

5 11 If you require any further information with respect to a Liquidator's remuneration, disbursements and expenses, please see Appendix F This document also includes a statement of creditors' rights

6 Conclusion

6 1 This report together with final meetings of members and creditors will conclude my administration Details of the final meetings and resolutions considered have been circulated with this report

6 2 If you require any further information please do not hesitate to contact me at the above address

Yours faithfully

Kate Elizabeth Breese
Liquidator

Enc

Receipts and Payments Account for the Period from 11 June 2010 to 2 February 2012

Appendix A

ABMDOTCOM. Limited
(In Liquidation)

LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 11/06/2010 To 02/02/2012 £
RECEIPTS		
Furniture & Equipment	1,100 00	843 00
Stock	500 00	0 00
Contracts / Work in progress	20,000 00	15,327 27
Cash at bank	386 00	1,737 97
Bank Interest Gross		2 35
		17,910 59
PAYMENTS		
Companies House Search Fees		10 00
Petitioners Costs (1)		1,500 00
Specific Bond (2)		210 00
Accountants Fees (3)		2,500 00
Preparation of S of A (4)		7,339 50
Liquidators Fees		4,824 28
Mileage		28 82
Liquidators Disbs		30 33
Agents/Valuers Fees (5)		700 00
Postage (Cat 1)		36 46
Stationery (Cat 2)		118 95
Facsimile		76 00
Case Set Up Fee		20 00
Statutory Advertising		258 59
Storage		257 66
		17,910 59
BALANCE - 2 February 2012		**0.00**

Notes to the Receipts & Payments Account

(1) Paid to Abraham Dresden LLP in relation to costs for a winding up petition

(2) Total Bond for both Liquidators for the duration of the Liquidation

(3) Payable to Sochall Smith Solicitors for work done to dismiss the winding up petition on a time costs basis

(4) Agreed up to £10,000 at the first meeting of creditors

(5) Paid to Michael Steel & Co in relation to Valuation of Stocks and WIP

ABMDOTCOM. Limited
(In Liquidation)

Summary of Receipts & Payments
11 June 2010 to 10 June 2011

RECEIPTS	Total (£)
Furniture & Equipment	843 00
Contracts / Work in progress	13,985 99
Bank Interest Gross	1 25
	14,830.24
PAYMENTS	
Companies House Search Fees	7 00
Petitioners Costs	1,500 00
Specific Bond	210 00
Accountants Fees	2,500 00
Preparation of S of A	7,339 50
Liquidators Fees	2,308 59
Agents/Valuers Fees	700 00
Postage (Cat 1)	9 30
Stationery (Cat 2)	34 10
Case Set Up Fee	20 00
Statutory Advertising	187 51
Vat Receivable	2,326 48
Vat Control Account	282 63
	14,816.00
Balance In Hand	**14.24**
	14,830.24

ABMDOTCOM. Limited
(In Liquidation)

Summary of Receipts & Payments
11 June 2011 to 2February 2012

	Total (£)
RECEIPTS	
Brought Forward	14,830 24
Contracts / Work in progress	1,341 28
Cash at Bank	1,737 97
Bank Interest Gross	1 10
	17,910.59
PAYMENTS	
Brought Forward	14,816 00
Companies House Search Fees	3 00
Liquidators Fees	2,515 69
Mileage	28 82
Liquidators Disbs	30 33
Postage (Cat 1)	27 16
Stationery (Cat 2)	84 85
Facsimile	76 00
Statutory Advertising	71 08
Storage	257 66
	17,910.59
Balance In Hand	**0.00**
	17,910.59

MINUTES OF FINAL MEETING OF MEMBERS OF ABMDOTCOM. LIMITED – IN LIQUIDATION

CONVENED PURSUANT TO S106 INSOLVENCY ACT 1986

HELD AT WALSH TAYLOR

OXFORD CHAMBERS
OXFORD ROAD
GUISELEY
LEEDS
LS20 9AT

ON 02 FEBRUARY 2011

AT 11.00

Present. **Torben Wills** of Walsh Taylor - Chairman

Formal business

There were no members represented in person or by proxy at the meeting and accordingly there was no quorum

Accordingly the following resolutions were deemed to have been passed

a) To accept the liquidators' final report and account,

b) To approve the liquidators' release from office

DATED THIS 02 February 2012

____________________Chairman

SIGNED 02 February 2012

MINUTES OF FINAL MEETING OF CREDITORS OF ABMDOTCOM. LIMITED – IN LIQUIDATION

CONVENED PURSUANT TO S106 INSOLVENCY ACT 1986

HELD AT WALSH TAYLOR

OXFORD CHAMBERS
OXFORD ROAD
GUISELEY
LEEDS
LS20 9AT

ON 02 FEBRUARY 2011

AT 11.30

Present: **Torben Wills** of Walsh Taylor - Chairman

Formal business

There were no creditors represented in person or by proxy at the meeting and accordingly there was no quorum

Accordingly the following resolutions were deemed to have been passed

a) To accept the joint liquidators' final report and account,

b) To approve the joint liquidators' release from office

DATED THIS 02 February 2012

____________________ Chairman

SIGNED 02 February 2012

Time Analysis for the period 11th June 2010 to 2nd February 2012

ABMDOTCOM. Limited

Total Hours

Classification of work function		Director	Manager	Cashier	Support Staff	Total hours	Time Cost (£)	Average hourly rate (£)
Administration & Planning		3 36 00	25 06 00	25 36·00	37 06 00	91 24 00	£12,680 50	£138 73
Investigations			1 00 00		0 30 00	1 30 00	£222 50	£148 33
Realisation of Assets		0 06 00	6 06 00			6 12 00	£1,040 00	£167 74
Trading								
Creditors			6 30 00		1 12 00	7 42 00	£1,208 00	£156 88
Case specific matters (specify the matters)								

Total hours		3 42 00	38 42 00	25 36 00	38 48 00		£15,151 00	£141 86
Total fees claimed (£)		£1,036 00	£5,912 00	£3,200 00	£5,003 00			

Time Analysis for the period 11th June 2010 to 10th June 2011

ABMDOTCOM. Limited

Total Hours

Classification of work function		Director	Manager	Cashier	Support Staff	Total hours	Time Cost (£)	Average hourly rate (£)
Administration & Planning		1 06 00	14 00 00	20 06 00	33 24 00	68 36 00	£9,210 00	£134 26
Investigations			1 00 00		0 30 00	1 30 00	£222 50	£148 33
Realisation of Assets		0 06 00	3 54 00			4 00 00	£652.00	£163 00
Trading								
Creditors			4 18 00		1 12 00	5 30 00	£850 00	£154 55
Case specific matters (specify the matters)								

Total hours		1 12 00	23 12 00	20 06 00	35 06 00		£10,934 50	
Total fees claimed (£)		£336 00	£3,778 00	£2,512 50	£4,308 00			

Time Analysis for the period 11th June 2011 to 2nd February 2012

ABMDOTCOM. Limited

Total Hours

Classification of work function		Director	Manager	Cashier	Support Staff	Total hours	Time Cost (£)	Average hourly rate (£)
Administration & Planning		2 30 00	11 06 00	5 30 00	3 42 00	22 48 00	£3,470 50	£152 21
Investigations								
Realisation of Assets			2 12 00			2 12 00	£388 00	£176 36
Trading								
Creditors			2 12.00			2 12 00	£358 00	£162 73
Case specific matters (specify the matters)								

Total hours		2 30 00	15 30 00	5 30 00	3 42 00		£4,216 50	
Total fees claimed (£)		£700 00	£2,134 00	£687 50	£695 00			

ABMDOTCOM. LIMITED - IN LIQUIDATION **Appendix D**

Liquidator's disbursements and expenses to 2 February 2012

Disbursements incurred and paid

		Incurred £	Unpaid £	Written off £	Paid £
Category 1					
Insolvency bond	Calverley	180 00	0 00	0 00	180 00
Insolvency bond	Breese	30 00	0 00	0 00	30 00
Postage		36 46	0 00	0 00	36 46
Case Set Up Fee		20 00	0 00	0 00	20 00
Company search		10 00	0 00	0 00	10 00
Advertising		258 59	0 00	0 00	258 59
		535 05	0 00	0 00	535 05
Category 2					
Photocopying		118 95	0 00	0 00	118 95
Car travel		28 82	0 00	0 00	28 82
Facsimile		76 00	0 00	0 00	76 00
Storage		257 66	0 00	0 00	257 66
		481 43	0 00	0 00	481 43

Expenses incurred and paid

Expense	**Paid to**	**Basis of payment**
Pre liquidation fees	Walsh Taylor	Approved by creditors on 11June 2010
Pre liquidation disbs	Walsh Taylor	Approved by creditors on 11 June 2010
Statutory advertising	Courts Advertising	Statutory payment - set tariff
Bonding	Willis Limited	Premium
Bonding	Marsh Limited	Premium
Agents Fees	Michael Steel and Co	Time Costs
Petitioners Costs	Abrahams Dresden LLP	Time Costs
Accountants Fees	Sochall Smith Ltd	Time Costs

	Incurred £	Unpaid £	Written off £	Paid £
Pre liquidation fees	10,000 00	2,660 50	0 00	7,339 50
Agents fees	700 00	0 00	0 00	700 00
Petitioners Costs	1,500 00	0 00	0 00	1,500 00
Accountants Fees	2,500 00	0 00	0 00	2,500 00
	14,700 00	2,660 50	0 00	12,039 50

Walsh Taylor Insolvency Practitioners

Charge Out Rates

	Rate per hour £
Director/Insolvency Practitioner	280
Senior Manager	220
Manager	180
Senior Administrator	160
Administrator	125
Cashier	125
Support staff (inc secretarial)	75-100

- Time is charged in units of 6 minutes
- Support and secretarial staff time is charged to cases on the basis of time spent at the rates stated above

Disbursements Recovery Policy

Category 1	Direct costs are recovered at actual cost to the case Includes for example and where relevant insurance and bonding, advertising, courier, registration fees, search fees, postage (including re-direction), storage, subsistence and public transport No charge is made for telephone calls
Category 2	Apportioned costs are recovered on the following tariff -
Fax	£1 per page sent
Photocopying	15p per copy – irrespective of size
Room hire	£150 for room hire for creditors' meetings - charge is only be made when attendance of debtor/ director and/or creditors is likely and a meeting room has been set aside
Stationery	£20 initial case set-up fee per corporate case, £15 per personal case Annual case/ file maintenance charges of £10
Car travel	65p per mile Fax, photocopying and stationery charges are based on the average costs of consumables Room hire is based on an average of charges levied by four local providers

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 by 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