Rule 4 49C

Form 4 68

The Insolvency Act 1986

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A of the Insolvency Act 1986

For Official Use

To the Registrar of Companies

Company Number

06543102

Name of Company

123 (Filmic) Products Limited

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

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

Signed

Date 9/3/12

Walsh Taylor
Oxford Chambers
Oxford Road
Guiseley
Leeds
LS20 9AT

Ref 1230001/KB/ZC/MJK

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A22 12/03/2012 #123
COMPANIES HOUSE

123 (Filmic) Products Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs		From 26/01/2011 To 25/01/2012
	ASSET REALISATIONS	
250 00	Stock	500 00
	Book Debts	107 12
	Customer List	300 00
	Bank Interest Gross	0 02
		907 14
	COST OF REALISATIONS	
	O R Remuneration	4 00
	Specific Bond	10 00
	Preparation of S of A	352 98
	Cred Meeting Expenses	33 33
	Agents Fees	201 07
	Stationery (Cat 2)	171 35
	Postage (Cat 1)	60 67
	Subsistence	5 83
	Statutory Advertising	62 50
		(901 73)
	UNSECURED CREDITORS	
(74,762 00)	Trade & Expense Creditors	NIL
(800 00)	Customs & Excise	NIL
		NIL
	DISTRIBUTIONS	
(1 00)	Ordinary Shareholders	NIL
		NIL
(75,313 00)		**5.41**
	REPRESENTED BY	
	Vat Receivable	165 41
	Vat Payable	(160 00)
		5 41

 IPS SQL Ver 5 04 08 March 2012 20 27

123 (Filmic) Products Limited
- In Liquidation

Company No: 06543102

<u>Liquidator's Annual Progress Report to Creditors</u>

Pursuant to S104A of the Insolvency Act 1986

7 February 2011

Registered Office
Walsh Taylor
Oxford Chambers
Oxford Road
Guisley
Leeds
LS20 9AT

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Introduction

1 1 This report provides an update on the progress in the liquidation of 123 (Filmic) Products Limited (the **Company**) I was appointed Liquidator of the Company at the first meeting of creditors held on 25 January 2011

1 2 I enclose at Appendix A an account of the Liquidator's Receipts and Payments for the year ended 25 January 2012, with a comparison to the Director's Statement of Affairs values In order to save costs, this information is provided in aggregate for the period of the Liquidation as a whole

2 Realisation of Assets

2 1 The Company's assets were shown by the Director in his estimated statement of affairs as at 26 January 2012 to be

Asset Type	Book Value £	Estimated to Realise £
Stock	£ 5,000 00	£ 250 00

2 2 The Company's Stock which consisted of film roll and flatpack packaging was sold by Eddisons Commercial Ltd for the sum of £500 at an online auction on 27 April 2011, following a valuation by Eddisons Commercial Ltd

2 3 An aditional £300 was received from the sale of the company customer list on 27 April 2011, which was also sold by Eddisons Commercial Limited at an online auction

2 4 The sum of £107 12 has been collected in regard of the Company's book debts from Royal Bank of Scotland There will be no further realisations in this respect

2 5 Total asset realisations achieved in this Liquidation are £907 15

3 Investigations

3 1 In accordance with the Company Directors Disqualification Act 1986 the liquidator has submitted a report on the conduct of the Director 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, 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 The preliminary assessment of the conduct of the Company's affairs prior to winding up did not reveal any matters that it was in the interest of creditors for the Liquidator to pursue Accordingly I am not conducting or proposing to conduct any further, more detailed investigations however I will of course continue to monitor the Company's situation.

3 4 If you are aware of any matters in connection with the Director's 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 Director

4 Creditors

Secured Creditors

4 1 There are no secured creditors in this liquidation.

Preferential Creditors

4 2 There are no preferential creditors in this liquidation

Unsecured Creditors

4 3 The Liquidator has received claims totalling £69,639 13 from seven creditors I have yet to receive claims from 28 creditors whose debts total £16,918 87 as per the Director's Statement of Affairs

Notice of no dividend

4 4 Assets realised have been and will be utilised fully in contributing towards defraying the administrative costs of the liquidation

4 5 Accordingly, formal Notice is hereby given in accordance with Rule 11 7 that no funds are expected to become available to enable any form of distribution to be made to any form of creditor

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 26 January 2012 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 her disbursements would be drawn in accordance with Walsh Taylor's standard tariff (see Appendix B)

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

Remuneration charged and disbursements incurred

5 3 In aggregate, the Liquidator's post liquidation time costs as at 25 January 2012 total £6,542 in respect of 42 50 hours at an average hourly rate of £153 93

5 4 Disbursements incurred are summarised at Appendix C

Remuneration and disbursements drawn

5 5 As at the date of this report no funds have been drawn by way of Liquidator's remuneration

5 6 Details of disbursements drawn are set out in Appendix C

Liquidation expenses charged and drawn

5 7 Details of the costs incurred and paid by the Liquidator in relation to liquidation expenses are also attached at Appendix C

5 8 I comment specifically that at the first meeting of creditors held on 26 January 2011 it was resolved that the fees and disbursements of Walsh Taylor for assisting the Director in convening the statutory meetings to place the Company into liquidation and for assistance in preparing the Statement of Affairs would be a set fee of £4,000 plus VAT, to be paid out of the assets of the Company, together with disbursements incurred

5 9 The sum of £352 98 has been drawn in this respect

Creditors' Guide to Fees and Statement of Creditors' rights

5 10 If you require any further information with respect to a Liquidator's remuneration, disbursements and expenses, please see Appendix D This document also includes a statement of creditors' rights

6 Matters outstanding

6 1 Asset realisations have been concluded

6 2 Accordingly, I anticipate concluding the liquidation within the next three months, when the closing formalities have been dealt with

6 3 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 26 January 2011 to 25 January 2012

Appendix A

123 (Filmic) Products Limited
(In Liquidation)

LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 26/01/2011 To 25/01/2012 £
RECEIPTS		
Stock	250 00	500 00
Book Debts		107 12
Customer List		300 00
Bank Interest Gross (1)		0 02
Vat Payable		160 00
		1,067 14
PAYMENTS		
Company Search		4 00
Specific Bond		10 00
Preparation of S of A (2)		352 98
Cred Meeting Expenses		33 33
Agents Fees (3)		201 07
Stationery		151 35
Postage		60 67
Case Set Up Fee		20 00
Subsistence		5 83
Statutory Advertising		62 50
Vat Receivable		165 41
		1,067 14
BALANCE - 25 January 2012		**0.00**

Notes to the Receipts & Payments Account

(1) Funds ingathered have been placed in an interest bearing account

(2) Agreed as a set fee of up to £4,000 plus Vat at the meeting of creditors

(3) Paid to Eddisons Commercial Ltd on a % of realisations basis for the online auction of company assets

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

123 (FILMIC) PRODUCTS LIMITED - IN LIQUIDATION **Appendix C**

Liquidator's disbursements and expenses to 25 January 2012

Disbursements incurred and paid

	Incurred £	Unpaid £	Written off £	Paid £
Category 1				
Insolvency bond	10 00	0 00	0 00	10 00
Postage	60 67	0 00	0 00	60 67
Company search	4 00	4 00	0 00	4 00
Advertising	187 51	125 01	0 00	62 50
	262 18	129 01	0 00	137 17
Category 2				
Photocopying	151 35	0 00	0 00	151 35
Room Hire	150 00	116 67	0 00	33 33
Case Set Up Fee	20 00	0 00	0 00	20 00
Subsistence	5 83	0 00	0 00	5 83
	327 18	116 67	0 00	210 51

Expenses incurred and paid

Expense	Paid to	Basis of payment
Pre liquidation fees	Walsh Taylor	Approved by creditors on 26 January 2011
Pre liquidation disbs	Walsh Taylor	Approved by creditors on 26 January 2011
Statutory advertising	Courts Advertising	Statutory payment - set tariff
Bonding	Marsh Limited	Premium
Accountants Fees	The Ross Partnership	Set Fee
Agents Fees	Eddisons Commercial Ltd	% of Realisations

	Incurred £	Unpaid £	Written off £	Paid £
Pre liquidation fees	4,000 00	3,647 02	0 00	352 98
Accountants Fees	500 00	500 00	0 00	0 00
Agents Fees	201 07	0 00	0 00	201 07
	4,701 07	4,147 02	0 00	554 05

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