

The Insolvency Act 1986

Liquidator's Progress Report
Pursuant to Section 192 of
The Insolvency Act 1986**S.192**

To the Registrar of Companies

For Official Use

--	--	--

Company Number

06850459

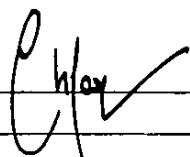
Name of Company

Highgate & Davenports Brewery 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

Signed



Date

22 JUN 2011

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

Ref H104/CHIM/PMD/JRS

Inso

SA WEDNESDAY



AIWJUWRO

A29	17/08/2011	252
COMPANIES HOUSE		
A44	23/07/2011	81
COMPANIES HOUSE		

**Highgate & Davenports Brewery Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments**

Statement of Affairs		From 18/06/2010 To 17/06/2011
	ASSET REALISATIONS	
2,500 00	Stock and WIP	12,500 00
309,739 00	Book Debts	199,997 49
600 00	Cash at Bank	1,218 26
	Bank Interest Gross	417 14
	Walsall Council Rates Refund	1,454 79
		<u>215,587 68</u>
	COST OF REALISATIONS	
	Preparation of S of A	6,500 00
	Office Holders Fees	33,000 00
	Office Holders Expenses	2,396 05
	Accountancy cost - preparation of S of	5,000 00
	Memory stick	9 97
	Fee for advice re Pension Scheme	250 00
	Legal Fees	3,385 70
	Tax Paid on Bank Interest	83 40
	Debt Collection Charges	4,462 20
		<u>(55,087 32)</u>
	PREFERENTIAL CREDITORS	
	Employees Wage Arrears	1,064 35
(14,000 00)	Employee claims - Wages & holiday p	16,406 46
		<u>(17,470 81)</u>
	UNSECURED CREDITORS	
(19,485 00)	Trade & Expense Creditors	NIL
(90,950 00)	Employees - Pay in lieu & Redundancy	NIL
(87,248 00)	HM Revenue & Customs - PAYE/NIC	NIL
(622,396 00)	HM Revenue & Customs - Excise Duty	NIL
(89,850 00)	HM Revenue & Customs - VAT	NIL
		<u>NIL</u>
	DISTRIBUTIONS	
(2 00)	Ordinary Shareholders	<u>NIL</u>
		<u>NIL</u>
<u>(611,092 00)</u>		<u><u>143,029.55</u></u>
	REPRESENTED BY	
	VAT Receivable	7,034 44
	Bank 2 - Current	135,995 11
		<u><u>143,029.55</u></u>

C H I Moore
Liquidator

Highgate & Davenports Brewery Limited
(In Liquidation)
Supplementary Information

Registered Office / Home Address

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

Registered Number

06850459

Appointment Details

First Partner - C H I Moore

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

Appointment Date - 18/06/2010

Changes to Office Holders

None

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 18/06/2010 to 17/06/2011

Account	Incurred In Period	Accrued In Period For Last Period	Accrued In Period	Total In Period
Book Debts	8,913 44	0 00	0 00	8,913 44
Voluntary Contributions	5,400 00	0 00	0 00	5,400 00
Bank Interest Gross	22 07	0 00	0 00	22 07
Preparation of S of A	6,500 00	0 00	0 00	6,500 00
Office Holders Fees	33,000 00	0 00	0 00	33,000 00
Office Holders Expenses	2,396 05	0 00	0 00	2,396 05
Accountancy cost - preparation of S of A	5,000 00	0 00	0 00	5,000 00

Highgate & Davenports Brewery Limited
(In Liquidation)
Statement of Remuneration / Expenses
For period 18/06/2010 to 17/06/2011

Account	Incurred In Period	Accrued In Period For Last Period	Accrued In Period	Total In Period
Memory stick	9 97	0 00	0 00	9 97
Fee for advice re Pension Scheme	250 00	0 00	0 00	250 00
Legal Fees	3,385 70	0 00	0 00	3,385 70
Tax Paid on Bank Interest	87 81	0 00	0 00	87 81
Debt Collection Charges	4,462 20	0 00	0 00	4,462 20
Employee claims - Wages & holiday pay	16,025 84	0 00	0 00	16,025 84
	85,453 08	0 00	0 00	85,453 08



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

20 July 2011

PMD/KJF/H104/200711a Sta

TO ALL MEMBERS AND CREDITORS

Dear Sirs

Highgate & Davenports Brewery Limited – In Creditors' Voluntary Liquidation

This is my report to members and creditors following the end of the first year of the liquidation

If members or creditors have any queries regarding this report or the conduct of the liquidation in general, they should contact Peter D'Arcy on 01922 452881

Yours faithfully

For and on behalf

Highgate & Davenports Brewery Limited

C H I Moore
Liquidator

Encs

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

Highgate & Davenports Brewery Limited – In Creditors' Voluntary Liquidation
Liquidator's Annual Report to Members and Creditors
For the year ending 17 June 2011

STATUTORY INFORMATION

Company name	Highgate & Davenports Brewery Limited
Registered office	Emerald House 20-22 Anchor Road Aldridge Walsall West Midlands WS9 8PH
Former registered office	The Brewery Sandymount Road Walsall WS1 3AP
Registered number	06850459
Liquidator's name	C H I Moore
Liquidator's address	Emerald House 20-22 Anchor Road Aldridge Walsall West Midlands WS9 8PH
Liquidator's date of appointment	18 June 2010

RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 18 June 2010 to 17 June 2011 is attached at Appendix 1

There have been no significant movements since the anniversary date

ASSETS

	Statement of Affairs Estimated to Realise £	Realised to date £
Stock and WIP	2,500	12,500 00
Book Debts	309,739	199,997 49
Cash at Bank	600	1,218 26
Bank Interest Gross	-	417 14
Walsall Council Rates Refund	-	1,454 79
	<hr/>	<hr/>
	312,839	215,587 68
	<hr/>	<hr/>

Book debt realisations are now complete The amount realised is less than originally envisaged due to contra claims and disputes No further realisations are expected

LIABILITIES

Secured Liabilities

An examination of the company's mortgage register held by the Registrar of Companies, showed that the company has no charges

Preferential Creditors

The Statement of Affairs anticipated £14,000 in preferential creditors Claims totalling £17,470 81 have been received and these claims have been paid in full

Crown Creditors

The Statement of Affairs included £799,494 owed to HMRC HMRC's final claim has yet to be agreed

Non Preferential Creditors

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

LIQUIDATOR'S ACTIONS SINCE APPOINTMENT

Since my appointment I have realised the Company's assets, dealt with the queries of former employees and the claims of creditors. I have dealt with my statutory duties and I am continuing to investigate a number of issues regarding the Company.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

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 I am 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 may be matters arising from the investigations which require the Liquidator to take further action which might provide additional funds for the creditors. I will advise creditors further in my next report.

PRE-APPOINTMENT REMUNERATION

The board previously authorised the payment of a fee of £6,500 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 7 June 2010. In addition a fee was agreed with Leaside Consultancy of £5,000 in respect of the preparation of the Statement of Affairs.

LIQUIDATOR'S REMUNERATION

My remuneration was previously authorised by members at a meeting held on 18 June 2010 to be drawn on a time cost basis. My time costs to 17 June 2011 amount to £34,456.50. I have drawn £33,000 to date. 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 Creditors
 - Claims inc employees, prefs
 - Employee issues
 - Claims
 - Pensions

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 17 June 2011 amount to £2,396.05 I have drawn £310 for the advertisements, £1,200 for the specific bond, £10 for swearing the Statement of Affairs, £52.05 for postal redirection, £800 for petition costs and £24.00 for travel

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

Professional Advisor	Nature of Work	Fee Arrangement
Insol Financial Solutions Ltd	Pension scheme advice	Agreed fee
Deeley Matthews	Valuer/Agents	Agreed fee
The Wilkes Partnership	Solicitors	Time costs
Leeside Consultancy	Debt Collection	Percentage of realisations

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

FURTHER INFORMATION

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

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

DIVIDEND PROSPECTS

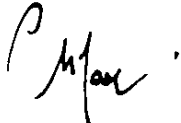
Preferential creditors - Already paid in full

Ordinary unsecured creditors – A modest dividend to unsecured creditors remains in prospect at this time.

SUMMARY

The liquidation will remain open until the Liquidator's investigations have been fully resolved
Once this issue has been dealt with the liquidation will be finalised, a dividend paid to unsecured creditors and our files will be closed

Should you have any queries regarding this matter please contact Peter D'Arcy on 01922 452881

A handwritten signature in black ink, appearing to read 'C H I Moore', with a small dot at the end.

C H I Moore
Liquidator

Highgate & Davenports Brewery Limited (In Liquidation)

Summary of Receipts & Payments

RECEIPTS	Statement of Affairs (£)	From 18/06/2010 To 17/06/2010 (£)	From 18/06/2010 To 17/06/2011 (£)	Total (£)
Stock and WIP	2,500 00	0 00	12,500 00	12,500 00
Book Debts	309,739 00	0 00	199,997 49	199,997 49
Cash at Bank	600 00	0 00	1,218 26	1,218 26
Bank Interest Gross		0 00	417 14	417 14
Walsall Council Rates Refund		0 00	1,454 79	1,454 79
		0 00	215,587.68	215,587 68
PAYMENTS				
Preparation of S of A		0 00	6,500 00	6,500 00
Office Holders Fees		0 00	33,000 00	33,000 00
Office Holders Expenses		0 00	2,396 05	2,396 05
Accountancy cost - preparation of S of A		0 00	5,000 00	5,000 00
Memory stick		0 00	9 97	9 97
Fee for advice re Pension Scheme		0 00	250 00	250 00
Legal Fees		0 00	3,385 70	3,385 70
Tax Paid on Bank Interest		0 00	83 40	83 40
Debt Collection Charges		0 00	4,462 20	4,462 20
Employees Wage Arrears		0 00	1,064 35	1,064 35
Employee claims - Wages & holiday pay	(14,000 00)	0 00	16,406 46	16,406 46
		0 00	72,558 13	72,558 13
Net Receipts/(Payments)		0 00	143,029 55	143,029 55
MADE UP AS FOLLOWS				
VAT Receivable		0 00	8,805 80	8,805 80
Bank 2 - Current		0 00	135,995 11	135,995 11
VAT Payable		0 00	(2,187 50)	(2,187 50)
Vat Control Account		0 00	416 14	416 14
		0 00	143,029 55	143,029 55

K.J.Watkin & Co
Highgate & Davenports Brewery Limited
Creditor Claims Summary Report

Key	Name	Rep By	S of A £	Claim £	Claim £
CA00	Air Products Plc		70 17	0 00	0 00
CB00	Birmingham Camra		0 00	1,080 00	1,080 00
CB02	Brewing Research International		0 00	117 50	117 50
CB01	Brummagem Publications Ltd		0 00	125 00	125 00
CC00	Chubb Fire Ltd		0 00	136 07	136 07
CH02	HM Customs & Excise VAT		89,850 00	89,850 14	89,850 14
CH00	HM Revenue & Customs		0 00	0 00	0 00
CH05	HM Revenue & Customs		0 00	0 00	0 00
CH04	HM Revenue & Customs - Excise Duty		622,396 00	654,216 67	654,216 67
CH01	HM Revenue & Customs PAYE		87,248 00	86,281 33	86,281 33
CH07	HMR&C		0 00	0 00	0 00
CH03	HSBC Bank Plc		0 00	0 00	0 00
CH06	Hydravalve		0 00	70 50	70 50
CI00	Institute of Brewing & Distilling		575 00	0 00	0 00
CL01	Lindbohm & Partners		390 60	331 02	331 02
CL02	Lister Gases Ltd		0 00	242 99	242 99
CL00	Lounais-Juoma OY		435 00	423 73	423 73
CS02	Sato UK Ltd		0 00	103 18	103 18
CS01	Securitas Security Services Limited		29 37	0 00	0 00
CS00	South Staffs Water Plc		6,388 53	9,809 03	9,809 03
CT01	The National Insurance Fund		0 00	105,585 01	105,585 01
CT00	Trinity Design Limited		10,484 63	0 00	0 00
CV00	Veolia Es (UK) Limited		1,112 60	3,400 81	3,400 81
23 Entries Totalling			818,979 90	951,772.98	951,772 98

Signature _____

H104

Highgate & Davenports Brewery

15 July 2011

SIP 9 - Time & Cost Summary

Period 18/06/10 17/06/11

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	4 30	5 20	20 20	17 70	47 40	6 779 50	143 03
Investigations	0 50	23 50	0 00	1 20	25 20	5,863 00	232 66
Realisations of assets	0 60	45 40	0 00	0 00	46 00	10,883 50	236 60
Trading	0 00	1 80	0 00	0 00	1 80	423 00	235 00
Creditors	0 00	42 70	0 00	6 00	48 70	10,507 50	215 76
Case specific matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours	5 40	118 60	20 20	24 90	169 10	34 456 50	203 76
Total Fees Claimed						33 000 00	

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 the 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, any 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 of the creditors to challenge them, as described below. Professional guidance issued to Insolvency Practitioners requires that, where the Liquidator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the Liquidator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

6 4 Realisations for Secured Creditors

Where the Liquidator realises an asset on behalf of a secured creditor and receives remuneration out of the proceeds (see paragraph 11 1 below), he should disclose the amount of that remuneration to the committee (if there is one), to any meeting of creditors convened for the purpose of determining his fees, and in any reports he sends to creditors.

7. Progress Reports and Requests for Further Information

7 1 The Liquidator is required to send annual progress reports to creditors. The reports must include -

- details of the basis fixed for the remuneration of the Liquidator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it),
- if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report),
- if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done during those periods, irrespective of whether payment was actually made during the period of the report,
- a statement of the expenses incurred by the Liquidator during the period of the report, irrespective of whether payment was actually made during that period,
- a statement of the creditors' rights to request further information, as explained in paragraph 7 2, and their right to challenge the Liquidator's remuneration and expenses

7 2 Within 21 days of receipt of a progress report (or 7 business days where the report has been prepared for the purposes of a meeting to receive the Liquidator's resignation) a creditor may request the Liquidator to provide further information about the remuneration and expenses set out in the report. A request must be in writing, and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court.

7 3 The Liquidator must provide the requested information within 14 days, unless he considers that -

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

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

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

8 Provision of Information – Additional Requirements

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

The information which must be provided is -

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

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

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

9 What if a Creditor is Dissatisfied?

9 1 Except in cases where there is a liquidation committee it is the creditors as a body who have authority to approve the Liquidator's fees. To enable them to carry out this function they may require the Liquidator to call a creditors' meeting. In order to do this at least ten per cent in value of the creditors must concur with the request, which must be made to the Liquidator in writing.

9 2 If a creditor believes that the Liquidator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the Liquidator are in all the circumstances excessive he may, provided certain conditions are met, apply to the court.

- 9 3 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the Liquidator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 7 1 above). If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the Liquidator a copy of the application and supporting evidence at least 14 days before the hearing.
- 9 4 If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not out of the assets of the insolvent company.
- 10 What if the Liquidator is Dissatisfied?**
- 10 1 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 to 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

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 on an hourly basis at varying rates depending upon the grade of staff allocated to a specific task. Hourly 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 hourly charge out rates are applicable with effect from 1 January 2011. The comparable rates for the previous year are also disclosed.

	2011 £	2010 £
Partner	330	315
Senior Manager	250	235
Manager	215	205
Assistant Manager	190	180
Senior Administrator	165	155
Cashier	140	130
Administrator	110	105
Administrative Assistant	95	90
Assistant Administrator	75	70
Clerical Assistant	75	70

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 -

		2011 £	2010 £
Searches	per search	20	20
Travelling	per mile	50p	40p
Storage	per quarter per box	13	13
Room hire for statutory meetings	per meeting	150	140