

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

06974018

Name of Company

All Jazz Limited

~~I~~ We

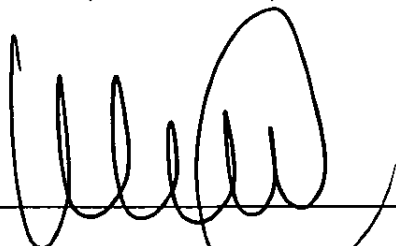
Tyrone Shaun Courtman, Sky View Argosy Road, East Midlands Airport Castle Donington, Derbyshire, DE74 2SA

Nicholas John Edwards, Sky View Argosy Road, East Midlands Airport Castle Donington, Derbyshire, DE74 2SA

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

The Progress Report covers the period from 13/05/2014 to 12/05/2015

Signed



Date

1/6/15

PKF Cooper Parry Group Limited
Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA
Ref AL015/TSC/NJE/NOT/JLH

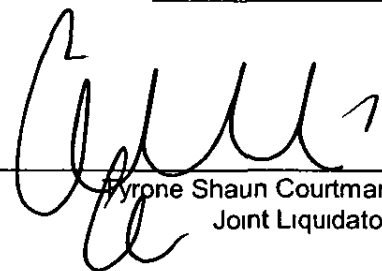
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**All Jazz Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs		From 13/05/2014 To 12/05/2015
	ASSET REALISATIONS	
912,330 00	Debtors	821,064 00
	VAT Refund	552 00
261,467 00	Cash at Bank	78,421 18
	Bank Interest Gross	145 98
		<u>900,183 16</u>
	COST OF REALISATIONS	
	Professional Fees	250 00
	Statutory Advertising	268 00
		<u>(518 00)</u>
	UNSECURED CREDITORS	
(119,598 00)	Creditors	8,859 64
		<u>(8,859 64)</u>
	DISTRIBUTIONS	
	Ordinary Shareholders	821,064 00
		<u>(821,064 00)</u>
1,054,199.00		69,741.52
	REPRESENTED BY	
	VAT on Payments	103 60
	Bank 1 - Current	69,637 92
		<u>69,741.52</u>


 Tyrone Shaun Courtman
 Joint Liquidator



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Mr G Lineker
Bracken View
Mill Hill
Barnes
London
SW13 0HS

Our ref: TSC/NJE/NOT/JLH/AL015/MV2010-B8.2

27 May 2015

When telephoning please ask for
Julie Hefter

Dear Mr Lineker

All Jazz Limited - In Liquidation
Registered in England No. 06974018 at Sky View
Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

I was appointed Joint Liquidator of the above company on 13 May 2014 and in accordance with Section 92A of the Insolvency Act 1986, I present my progress report in respect of the year ended 12 May 2015

I enclose for your information:-

- The Joint Liquidators' Receipts and Payments Account for the year ended 12 May 2015
- Estimated outcome statement (It is this document that is probably the most useful as it sets out the transactions in the first year, anticipated further transactions and the projected final summary)
- Time costs Analysis
- Summary of work undertaken
- Summary of current hourly rates and disbursements
- Creditors' guide to Liquidators' fees
- Copy of rule 4.49E and rule 4.148C, which sets out members' rights to request further information and to challenge remuneration and expenses

Cont'd

The firm's insolvency practitioners are licensed in the UK as follows:
T S Courtman by the Institute of Chartered Accountants in England and Wales
N J Edwards by the Institute of Chartered Accountants in England and Wales
and when acting as Receivers, Administrative Receivers or Administrators act as agents only, without personal liability and when acting as Administrators, the affairs, business and property of the company are being managed by them.
PKF Cooper Parry Group Limited is a company registered in England No 07795137 Registered Office:
Sky View, Argosy Road East Midlands Airport, Castle Donington, Derby DE74 2SA
PKF Cooper Parry Group Limited is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.



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All Jazz Limited - In Liquidation

27 May 2015

REALISATION OF ASSETS

Loan Account

At the date of Liquidation £821,064 was owed to the company in respect of your overdrawn loan account. This was repaid in full on 11 May 2015 out of your first capital distribution.

Cash at Bank

The Company's bank account was closed and £78,421 has been received. The funds are now held in a new account opened for the purpose of the Liquidation.

S455 Tax

The existence of the above director's loan account had resulted in a tax liability which was paid by the company. Now that the loan has been repaid, we can submit a claim to HMRC for the tax to be reclaimed and we estimate that this will result in a refund of £180,266. HMRC guidance indicates that despite the Liquidation, repayment will not be made until 9 months after the accounting period ended 12 May 2015, but we are liaising with HMRC to see if repayment can be accelerated.

Corporation Tax Refund

The accounts and tax computation for the period to 13 May 2014 were submitted to HMRC following your approval. We have made repeated attempts to get HMRC approval to the CT return, but this was not received until 11 May 2015. We should shortly receive the refund of corporation tax estimated at £1,869.

VAT refund

The VAT refund of £552 has been received.

Bank Interest

Interest received so far amounts to £146 and further interest will accrue on the deposit held. The interest will be subject to corporation tax.

COSTS OF REALISATION

Professional fees

A payment of £250 has been made in respect of the preparation and submission of the pre Liquidation P11d. As set out in our engagement letter, fees will also arise in respect of preparation of accounts and corporation tax computations for the accounting period to 13 May 2014 and our proposed charge for this work is £900 plus VAT. Further costs will arise for the post Liquidation tax submission and the claim for the S455 tax refund; we estimate that this will result in a fee of approximately £600 plus VAT.



Statutory Advertising

The costs paid so far in respect of the London Gazette statutory notices amount to £268. A further payment of £67 will be made to the London Gazette for publication of notice of the final meeting when the liquidation is complete.

Specific Penalty Bond

Our firm has paid the premium in respect of the Specific Penalty Bond amounting to £394. This will be payable as an expense of the Liquidation.

UNSECURED CREDITORS

The statutory notice to creditors did not result in any unforeseen claims. Payment has been made to settle pre Liquidation professional fees of £4,620 including VAT; the Class 1a National Insurance liability of £4,240 has also been paid in full. We are not aware of any further liabilities.

CAPITAL DISTRIBUTIONS

On 11 May 2015 we made a capital distribution of £821,064 in respect of your 1 Ordinary share. This was used to repay your overdrawn director's loan account as set out above. A cash distribution of £50,000 per share was declared on 15 May 2015 and this amount was transferred to your account at Coutts & Co on 22 May 2015.

The enclosed Estimated Outcome Statement indicates that the final capital distribution payable will amount to £188,316 (resulting in total distributions overall of £1,059,380) but the timing of this final payment is entirely dependant on when HMRC forward the tax refunds and give final clearance.

LIQUIDATORS' FEES AND DISBURSEMENTS

At the meeting of the shareholder, held on 13 May 2014 it was resolved that the Liquidators' fees be calculated by reference to the reasonable time costs incurred in dealing with the Liquidation. It was estimated that the costs would be in the region of £7,500 plus VAT and disbursements, on the assumption that there would be no matters delaying the completion of the case. We would usually expect to be able to complete a Members' Voluntary Liquidation in 6-9 months but in this case, the timescale has been extended due to delay in obtaining signed returns and the subsequent delay in HMRCs response to our requests for clearance, this in turn has delayed the loan account recovery which triggers the tax repayment. It now seems likely that it will be at least a further 9 months before the tax refund will be released (although we will press for this to be earlier) so it could be another year before we can complete the Liquidation. The longer timescale of 2 years results in additional costs in dealing with regulatory and best practice requirements, such as annual reporting, reconciliations, reviews and statutory filing, and with other regular compliance duties.

Cont'd



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All Jazz Limited - In Liquidation

27 May 2015

The enclosed time costs analysis and summary of work undertaken details the work carried out so far and hours spent totalling £14,679 and we anticipate that further costs to completion will result in total costs of at least £18,000. Whilst we are not seeking to recover our costs in full, but given the additional work and longer timescale, we are seeking your approval to a Liquidation fee limited to £11,500 plus VAT. This is £4,000 more than our original estimate and we propose that an interim payment of £7,500 plus VAT be made shortly and the remaining balance of £4,000 plus VAT be paid when the Liquidation is nearing completion. The VAT is recoverable from HMRC.

Once you have considered the contents of this report, please confirm whether our fee proposal is approved.

CONCLUSION

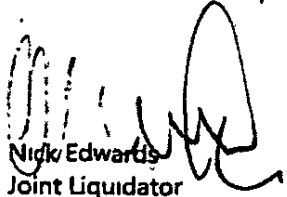
Completion of the Liquidation is dependant on receipt of the tax refund and final clearance from HMRC. We will continue to press for HMRC to accelerate the repayment and will keep you informed of our progress.

If you need any further information, please do not hesitate to contact us.

Yours faithfully

For and on behalf of

All Jazz Limited - In Liquidation


Nick Edwards
Joint Liquidator

**All Jazz Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments
To 12/05/2015**

Dec of Sol £		£	£
	ASSET REALISATIONS		
912,330.00	Debtors	821,064 00	
	VAT Refund	552 00	
261,467 00	Cash at Bank	78,421.18	
	Bank Interest Gross	145 98	
			900,183.16
	COST OF REALISATIONS		
	Professional Fees	250.00	
	Statutory Advertising	268.00	
			(518.00)
	UNSECURED CREDITORS		
(119,598 00)	Creditors	8,859 64	
			(8,859 64)
	DISTRIBUTIONS		
	Ordinary Shareholders	821,064 00	
			(821,064.00)
1,054,199.00			69,741.52
	REPRESENTED BY		
	VAT on Payments		103.60
	Bank 1 - Current		69,637.92
			69,741.52

All Jazz Limited - In Liquidation

ESTIMATED OUTCOME STATEMENT AS AT 12 May 2015

	Realised to 12 May 2015 £	Future Realisations £	Estimated Final Position £
ASSETS NOT SPECIFICALLY PLEDGED			
Director's loan account	821,064	-	821,064
S455 Tax	-	180,266	180,266
Cash at Bank	78,421	-	78,421
CT Refund	-	1,800	1,800
VAT Refund	552	-	552
Bank Interest	146	-	146
VAT on Receipts	-	-	-
ESTIMATED ASSETS AVAILABLE	900,183	182,066	1,082,249
EXPENSES OF LIQUIDATION			
Liquidators Expenses and bond	-	(394)	(394)
Liquidators Fees	-	(11,500)	(11,500)
Accountancy Fees	(250)	(1,500)	(1,750)
Statutory Advertising	(268)	(67)	(335)
	-	-	-
Corporation Tax	-	(30)	(30)
VAT on Payments	(104)	104	-
	-	-	-
ESTIMATED ASSETS AVAILABLE FOR CREDITORS AND SHAREHOLDER	899,561	168,679	1,068,240
	-	-	-
Trade & Expense Creditors-professional fees	(4,620)	-	(4,620)
Class1a NI	(4,240)	-	(4,240)
Capital Distribution 11 May 2015 (to repay loan)	(821,064)	-	(821,064)
Cash Capital Distribution 22 May 2015	-	(50,000)	(50,000)
Estimated further Capital distribution to Shareholder	69,637	118,679	188,316

All Jazz Limited														
TIME COSTS ANALYSIS														
Time Costs from 31 October 2013 to 17 May 2015														
Work Undertaken														
	Partner		Director		Senior Manager		Manager		Administrators		Assistants / Cas tlers / Support/ Trainees		Total	
	Hrs:	£:	Hrs:	£:	Hrs:	£:	Hrs:	£:	Hrs:	£:	Hrs:	£:	Hrs:	£:
Statutory	0.3	135	0.8	319	11.9	4,067	-	-	34.8	4,093	17.1	1,589	64.9	10,202
Investigations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Asset Realisation	-	-	0.2	80	-	-	-	-	0.5	100	-	-	0.7	180
Debtor Realisation	-	-	-	-	-	-	-	-	0.1	20	-	-	0.1	20
Other Matters/Creditors	-	-	0.1	40	0.2	67	0.5	125	1.8	265	-	-	2.6	497
Pre-appointment	0.1	43	0.7	277	8.0	2,600	-	-	12.1	745	1.5	117	22.4	3,781
Total	0.4	177.5	1.8	715.0	20.1	6,733.6	0.5	125.0	49.3	5,223.3	18.6	1,705.3	90.7	14,679.7
Average Hourly Rate														161.85
Expenses														
Statutory advertising														0
Lunches														0
Statutory Bond														0
Company searches		1												1
Mileage														0
Telephone, postage and stationery														0
Agent's fees and expenses														0
Legal fees and expenses														0

All Jazz Limited - In Liquidation

Summary of Work undertaken to 12 May 2015

Pre. Liquidation

- Reviewing background information to identify matters requiring attention prior to Liquidation
- Reviewing company search
- Reviewing provisions of Memorandum and Articles of Association
- Summarising financial position & considering tax implications
- Preparing Declaration of Solvency and other documents required to place the company into Liquidation
- Providing and agreeing terms of indemnity
- Liaising with Peter McGarvey with regard to proposed Liquidation strategy and action to be taken

Post-Liquidation

- Obtaining specific penalty cover and dealing with filing of Bordereau
- Attending to initial statutory filing requirements, including filing of Declaration of Solvency, Resolutions and Notice of Appointment with Registrar of Companies
- Arranging for insertion of Special Resolution, Notice of Appointment and Notice to Creditors in London Gazette
- Advertising notice of intended dividend
- Sending notification of Liquidation to creditors, including HMRC
- Submission of form VAT 769 to HMRC, preparation of final return and arranging for deregistration
- Instructing bankers to open new accounts in relation to the Liquidation and arranging for transfer of funds to the accounts
- Considering and reviewing investment of funds on interest bearing account
- Maintaining Practitioner record pursuant to insolvency regulations

All Jazz Limited - In Liquidation

- Monitoring position regarding preparation of accounts and submission and agreement of tax computations for accounting periods up to the date of Liquidation
- Contacting HMRC regarding delayed response
- Dealing with compliance regarding monthly bank reconciliations, case strategy and manager reviews
- Dealing with agreement and payment of creditors' claims re professional fees and Class 1a NIC.
- Reporting to shareholder on matters arising during the conduct of the Liquidation
- Making the first Capital distribution and arranging for the repayment of the Director's loan account
- Making second Capital Distribution on 22 May 2015
- Preparing Annual report to comply with the provisions of the IA 86 together with supporting information
- Dealing with general correspondence and enquiries

**PKF COOPER PARRY GROUP LIMITED – BUSINESS RECOVERY AND INSOLVENCY
CHARGING AND DISBURSEMENT RATES AND POLICIES**

1.1 Standard Hourly Rates

	Rate effected from 1 May 2014	Rate effected from 1 May 2015
Partners/ Directors	400-450	400-450
Senior Manager/Consultant	335-350	350
Manager/Assistant Manager	200-250	200-250
Insolvency Administrator	150	100-150
Cashier	90-110	110
Administrative and Support	65-80	80
Tax Compliance	242	242
Vat Compliance	289	289

1.2 Uplifts on Standard Hourly Rates

In some instances where there is undue risk to the firm in recovering its standard hourly rates in full, typically as a consequence of the pursuit of causes of action where the outcomes are far from certain, or where there are considered to be undue risks associated with the conduct of an assignment, then approval for a % uplift on standard hourly rates may be sought. The % uplift sought will vary depending upon the circumstances of each case.

1.3 Charging Policies

Time is recorded and charged to the case in units of not less than 6 minutes

Where possible work is delegated to staff with the appropriate experience and charge out rate.

Time spent by all grades of staff are charged to the case

It is the firm's policy to revise its charge out rates periodically. Details of revised rates are available on request and will be circulated with statutory reports to creditors and to the Creditors' Committee (if constituted)

2.1 Category One Disbursements (payable at cost)

External record storage, retrieval, destruction and archive boxes

Postage, stationery and files

Advertising

Legal and professional fees

Specific penalty bond

Insurances

External room hire

2.2 Category Two Disbursements (rates chargeable)

Photocopying	10p per sheet
Telephone and faxes	£1 per each debtor and creditor
Mileage	45p per mile
Use of small meeting room	£50 per half day
Use of large meeting room	£100 per half day

2.3 Disbursement policies

Category one disbursements represent payments made to PKF Cooper Parry Group Limited in respect of the specific costs incurred attributable to the case

Category two disbursements are paid to PKF Cooper Parry Group Limited calculated on the rates set out above which are reviewed periodically Details of revised rates are available on request and will be circulated with statutory reports to creditors and to the Creditors' Committee (if constituted).

3.0 Legal and professional fees

Proposed fees are reviewed to consider work undertaken and its effectiveness.

Where proposed fees are considered to be excessive, a reduction in the fee payable is negotiated.

A CREDITORS' GUIDE TO LIQUIDATORS FEES – ENGLAND AND WALES

1. Introduction

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

2. Liquidation procedure

2.1 Liquidation (or 'winding up') is the most common type of corporate insolvency procedure. Liquidation is the formal winding up of a company's affairs entailing the realisation of its assets and the distribution of the proceeds in a prescribed order of priority. Liquidation may be either voluntary, when it is instituted by resolution of the shareholders, or compulsory, when it is instituted by order of the court.

2.2 Voluntary liquidation is the more common of the two. An insolvent voluntary liquidation is called a creditors' voluntary liquidation (often abbreviated to 'CVL'). In this type of liquidation an insolvency practitioner acts as Liquidator throughout and the creditors can vote on the appointment of the Liquidator at the first meeting of creditors.

2.3 In a compulsory liquidation on the other hand, the function of Liquidator is, in most cases, initially performed not by an insolvency practitioner but by an official called the official receiver. The official receiver is an officer of the court and an official belonging to The Insolvency Service. In most compulsory liquidations, the official receiver becomes Liquidator immediately on the making of the winding-up order.

Where there are significant assets an insolvency practitioner will usually be appointed to act as Liquidator in place of the official receiver, either at a meeting of creditors convened for the purpose or directly by The Insolvency Service on behalf of the Secretary of State. Where an insolvency practitioner is not appointed the official receiver remains Liquidator.

2.4 Where a compulsory liquidation follows immediately on an administration the court may appoint the former administrator to act as Liquidator. In such cases the official receiver does not become Liquidator. An administrator may also subsequently act as Liquidator in a CVL.

3. The liquidation committee

3.1 In a liquidation (whether voluntary or compulsory) the creditors have the right to appoint a committee called the liquidation committee, with a minimum of 3 and a maximum of 5 members, to monitor the conduct of the liquidation and approve the Liquidator's fees. The committee is usually established at the creditors' meeting which appoints the Liquidator, but in cases where a liquidation follows immediately on an administration any committee established for the purposes of the administration will continue in being as the liquidation committee.

3.2 The Liquidator must call the first meeting of the committee within 6 weeks of its establishment (or his appointment if that is later), and subsequent meetings must be held either at specified dates agreed by the committee, or when requested by a member of the committee, or when the Liquidator decides he needs to hold one. The Liquidator is required to report to the committee at least every 6 months on the progress of the liquidation, unless the committee directs otherwise. This provides an opportunity for the committee to monitor and discuss the progress of the insolvency and the level of the Liquidator's fees.

4. Fixing the Liquidator's remuneration

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

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

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

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

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

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

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

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

5. Review of remuneration

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

6. What information should be provided by the Liquidator?

6.1 When fixing bases of remuneration

6.1.1 When seeking agreement for the basis or bases of remuneration, the Liquidator should provide sufficient supporting information to enable the committee or the creditors to make an informed judgement

as to whether the basis sought is appropriate having regard to all the circumstances of the case. The nature and extent of the information provided will depend on the stage during the conduct of the case at which approval is being sought. The appendix to this guide sets out a suggested format for the provision of information.

6.1 2 If any part of the remuneration is sought on a time costs basis, the Liquidator should provide details of the minimum time units used and current charge-out rates, split by grades of staff, of those people who have been or who are likely to be involved in the time costs aspects of the case.

6.1 3 The Liquidator should also provide details and the cost of any work that has been or is intended to be sub-contracted out that could otherwise be carried out by the Liquidator or his or her staff.

6.1.4 If work has already been carried out, the Liquidator should state the proposed charge for the period to date and provide an explanation of what has been achieved in the period and how it was achieved, sufficient to enable the progress of the case to be assessed and whether the proposed charge is reasonable in the circumstances of the case.

Where the proposed charge is calculated on a time costs basis, the Liquidator should disclose the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. The Liquidator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the Liquidator or his or her staff.

6.2 After the bases of remuneration have been fixed

The Liquidator is required to send progress reports to creditors at specified intervals (see paragraph 7.1 below). When reporting periodically to creditors, in addition to the matters specified in paragraph 7.1, the Liquidator should provide an explanation of what has been achieved in the period under review and how it was achieved, sufficient to enable the progress of the case to be assessed.

Creditors should be able to understand whether the remuneration charged is reasonable in the circumstances of the case (whilst recognising that the Liquidator must fulfil certain statutory obligations and regulatory requirements that might be perceived as bringing no added value for the estate). Where any remuneration is on a time costs basis, the Liquidator should disclose the charge in respect of the period, the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. If there have been any changes to the charge-out rates during the period under review, rates should be disclosed by grades of staff, split by the periods applicable. The Liquidator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the Liquidator or his or her staff.

6.3 Disbursements and other expenses

6.3.1 Costs met by and reimbursed to the Liquidator in connection with the liquidation should be appropriate and reasonable. Such costs will fall into two categories:

Category 1 disbursements These are costs where there is specific expenditure directly referable both to the liquidation and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the Liquidator or his or her staff.

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

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

6.3.2 The following are not permissible:

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

6.4 Realisations for secured creditors

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

7. Progress reports and requests for further information

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

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

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

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

- the time and cost involved in preparing the information would be excessive, or
- disclosure would be prejudicial to the conduct of the liquidation or might be expected to lead to violence against any person, or
- the Liquidator is subject to an obligation of confidentiality in relation to the information requested, in which case he must give the reasons for not providing the information.

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

8. Provision of information – additional requirements

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

The information which must be provided is

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

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

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

9. What if a creditor is dissatisfied?

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

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

9.3 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the Liquidator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 7.1 above). If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the Liquidator a copy of the application and supporting evidence at least 14 days before the hearing.

9.4 If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not out of the assets of the insolvent company.

10. What if the Liquidator is dissatisfied?

If the Liquidator considers that the remuneration fixed by the liquidation committee, or in the preceding administration, is insufficient or that the basis used to fix it is inappropriate he may request that the amount or rate be increased, or the basis changed, by resolution of the creditors. If he considers that the remuneration fixed by the liquidation committee, the creditors, in the preceding administration or in accordance with the statutory scale is insufficient, or that the basis used to fix it is inappropriate, he may apply to the court for the amount or rate to be increased or the basis changed.

If he decides to apply to the court he must give at least 14 days' notice to the members of the committee and the committee may nominate one or more of its members to appear or be represented at the court hearing. If there is no committee, the Liquidator's notice of his application must be sent to such of the creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid out of the assets.

11. Other matters relating to remuneration

11.1 Where the Liquidator realises assets on behalf of a secured creditor he is entitled to be remunerated out of the proceeds of sale in accordance with a scale set out in the Rules. Usually, however, the Liquidator will agree the basis of his fee for dealing with charged assets with the secured creditor concerned.

11.2 Where two (or more) joint Liquidators are appointed it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute between them may be referred to the court, the committee or a meeting of creditors.

11.3 If the appointed Liquidator is a solicitor and employs his own firm to act in the insolvency, profit costs may not be paid unless authorised by the committee, the creditors or the court

11.4 If a new Liquidator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new Liquidator until a further determination, resolution or court order is made

11.5 Where the basis of the remuneration is a set amount, and the Liquidator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing Liquidator. The application must be made to the same body as approved the remuneration. Where the outgoing Liquidator and the incoming Liquidator are from the same firm, they will usually agree the apportionment between them.

11.6 There may also be occasions when creditors will agree to make funds available themselves to pay for the Liquidator to carry out tasks which cannot be paid for out of the assets, either because they are deficient or because it is uncertain whether the work undertaken will result in any benefit to creditors.

Arrangements of this kind are sometimes made to fund litigation or investigations into the affairs of the insolvent company. Any arrangements of this nature will be a matter for agreement between the Liquidator and the creditors concerned and will not be subject to the statutory rules relating to remuneration.

12. Effective date

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

Statement of the Provisions of Rules 4.49E & 4.148C

Rule 4.49E Creditors' and members' request for further information

(1) If -

(a) within the period mentioned in paragraph (2) -

- i. a secured creditor, or
- ii an unsecured creditors with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
- iii members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company, or

(b) with the permission of the court upon an application made within the period mentioned in paragraph (2) -

- i. any unsecured creditor, or
- ii. any member of the company in a members' voluntary winding up

makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4.49B(1) (e) or (f) (including by virtue of Rule 4.49C(5)) or in a draft report under Rule 4.49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of a matter in a draft report under Rule 4.49D or a progress report required by Rule 4.108 which (in either case) was previously included in a progress report not required by Rule 4.108.

(2) The period referred to in paragraph (1)(a) and (b) is -

(a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4.108, and

(b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case.

(3) The liquidator complies with this paragraph by either -

(a) providing all of the information asked for, or

(b) so far as the liquidator considers that -

- i. the time or cost of preparation of the information would be excessive, or
- ii disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
- iii. the liquidator is subject to an obligation of confidentiality in respect of the information,

given reasons for not providing all of the information.

(4) Any creditor, and any member of the company in a members' voluntary winding up, who need not be the same as the creditors or members who asked for the information, may apply to the court within 21 days of -

(a) the giving by the liquidator of reasons for not providing all of the information asked for, or

(b) the expiry of the 14 days provided for in paragraph (1),

and the court may make such order as it thinks just.

(5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks or, as the case may be, 4 weeks provided for in Rule 4.131(1B) or 4.148C(2) by such further period as the court thinks just

(6) This Rule does not apply where the liquidator is the official receiver.

4.148C Members' claim that remuneration is excessive

(1) Members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or any member with the permission of the court, may apply to the court for one or more of the orders in paragraph (6) on the grounds that—

(a) the remuneration charged by the liquidator,

(b) the basis fixed for the liquidator's remuneration under Rule 4.148A,

(c) expenses incurred by the liquidator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate.

(2) Application must, subject to any order of the court under Rule 4.49E(5), be made no later than 8 weeks (or 4 weeks when the liquidator has resigned in accordance with Rule 4.142) after receipt by the applicant of the report or account which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

(3) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application; but it must not do so unless the applicant has had the opportunity to attend the court for a hearing of which the applicant has been given at least 5 business days' notice but which is without notice to any other party

(4) If the application is not dismissed under paragraph (3), the court must fix a venue for it to be heard and give notice to the applicant accordingly

(5) The applicant must at least 14 days before the hearing send to the liquidator a notice stating the venue and accompanied by a copy of the application and of any evidence which the applicant intends to adduce in support of it.

(6) If the court considers the application to be well-founded, it must make one or more of the following orders—

(a) an order reducing the amount of remuneration which the liquidator was entitled to charge,

(b) an order fixing the basis of remuneration at a reduced rate or amount,

(c) an order changing the basis of remuneration;

- (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,
- (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify;

and may make any other order that it thinks just; but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report.

(7) Unless the court orders otherwise, the costs of the application must be paid by the applicant and are not payable as an expense of the liquidation