

LIQ13

Notice of final account prior to dissolution in MVL



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 07018304

Company name in full Sedgemere Developments Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Mark Jonathan

Surname Botwood

3 Liquidator's address

Building name/number Regent House

Street Bath Avenue

Post town Wolverhampton

County/Region

Postcode WV14EG

Country

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ13

Notice of final account prior to dissolution in MVL

6 Final account

☒ I have delivered the final account of the winding up to the members in accordance with Section 94(2) and attach a copy.

7 Sign and date

Liquidator's signature

Signature

X

M. B. A.

X

Signature date

^d

1

^d

0

^m

0

^m

8

^y

2

^y

0

^y

2

^y

2

LIQ13

Notice of final account prior to dissolution in MVL



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Mark Jonathan Botwood**

Company name **Muras Baker Jones Ltd**

Address
Regent House
Bath Avenue

Post town **Wolverhampton**

County/Region

Postcode **W V 1 4 E G**

Country

DX

Telephone **01902 393000**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Sedgemere Developments Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments
From 29 January 2020 To 5 August 2022

Declaration of Solvency £		£	£
	ASSET REALISATIONS		
	CT Tax Refund	449.88	
20,724.00	VAT Refund	20,724.00	
704,963.00	Cash at Bank	704,922.88	
	Bank Interest Gross	83.90	
		726,180.66	
	COST OF REALISATIONS		
	Insolvency Bond	515.00	
	Liquidators Remuneration	8,500.00	
	Corporation Tax	15.58	
	Postage	9.87	
	London Gazette Advertising	257.55	
		(9,298.00)	
	UNSECURED CREDITORS		
(20,779.00)	Accruals	20,723.60	
(2,500.00)	Muras Baker Jones - pre app	2,500.00	
(106.00)	HMRC - CT	92.52	
		(23,316.12)	
	DISTRIBUTIONS		
	1st Dist 3.4.2020 @£12 per share	12,000.00	
	2nd Dist 11.5.20 £625 per share	625,000.00	
	3rd Dist 13.07.2021 £53 per share	53,000.00	
	4th Dist 6.07.2022 £3.57 per £1 share	3,566.54	
		(693,566.54)	
702,302.00			0.00
	REPRESENTED BY		
			NIL

Note:

The above figures are shown net of VAT

Distributions

A first capital distribution of £12 per share was declared payable to the sole shareholder holding 1000 ordinary £1 shares on 3 April 2020.

A second capital distribution of £625.00 per share was declared payable to the sole shareholder holding 1000 ordinary £1 shares on 11 May 2020

A third capital distribution of £53.00 per share was declared payable to the sole shareholder holding 1000 ordinary £1 shares on 13 July 2021

A fourth and final capital distribution of £3.56654 per £1share was declared payable to the sole shareholder holding 1000

**Sedgemere Developments Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments
From 29 January 2020 To 5 August 2022**

**Declaration
of Solvency**
£

£

£

ordinary £1 shares on 6 July 2022



Mark Jonathan Botwood
Liquidator

LIQUIDATOR'S FINAL ACCOUNT TO MEMBERS TO 5 AUGUST 2022

SEDGEMERE DEVELOPMENTS LIMITED ("THE COMPANY") IN MEMBERS' VOLUNTARY LIQUIDATION

EXECUTIVE SUMMARY

On appointment I reviewed the information provided by the company and accountant to confirm that the declaration of solvency showed an accurate reflection of the company's solvency at the date of liquidation.

Statutory notifications were filed at Companies House, sent to creditors and advertised in the London Gazette.

It was necessary to amend a pre liquidation VAT return and recover VAT paid of £20,724.

Corporation tax returns for two pre liquidation periods were submitted by the Company's accountant.

The Company was deregistered for VAT following completion of Option to tax relating to property formerly owned.

Dividends were paid to the sole shareholder.

Closure was delayed as processes of HMRC were adversely affected due to Covid pandemic.

STATUTORY INFORMATION

Company name:	Sedgemere Developments Limited
Registration number:	07018304
Principal Trading Address:	19 The Coppice, Atherstone, CV9 1RT
Registered Office:	3rd Floor, Regent House, Bath Avenue, Wolverhampton, WV1 4EG
Former Registered Office:	19 The Coppice, Atherstone, CV9 1RT
Principal trading activity:	Property Development
Liquidator's name:	Mark Jonathan Botwood

Liquidator's address: Muras Baker Jones Ltd, Regent House, Bath Avenue, Wolverhampton, WV1 4EG

Liquidator's contact details: adrian.simcox@muras.co.uk and 01902 393000.

Date of appointment: 29 January 2020

LIQUIDATOR'S ACTIONS SINCE APPOINTMENT

Notice of my appointment was filed at Companies House and advertised in the London Gazette. A copy was sent to all creditors. I also published in the London Gazette and sent to all creditors a notice to claim requiring creditors on or before 4 March 2020 to provide full particulars of any debts owed. No claims were received.

Enquires were made establishing the company's records and shareholders holdings. The shareholder provided an indemnity to the liquidator.

The Company's bank account was closed on 24 February 2020 and all funds transferred to the liquidators estate account. A first dividend to the shareholder holding 1000 ordinary £1 share was declared and paid on 3 April 2020 with funds reserved to meet the costs of liquidation prior to the issue of further dividends. A second dividend was declared and paid to the shareholder on 11 May 2020. Again funds were reserved to meet the costs of liquidation and future dividends pending submission of final CT returns and recovery of VAT refund.

Prior to my appointment the company was charged and had paid development costs to a supplier. The supplier had not charged VAT correctly and the company was re-invoiced for VAT only in March 2020. The supplier was paid on 16 April 2020 and the liquidator sort HMRC agreement to amend a prior VAT return to recover the VAT paid of £ 20723.60. In September 2020 HMRC wrote and required further information and a VAT error correction return was submitted for the quarter ended 30 November 2019. Due to the effects of the pandemic processing times of HMRC slowed and it wasn't until 11 January 2021 that a statement of account was received setting out the error correction for refund following assessment. A payable order or direct receipt was expected to follow in accordance with our request. This was not received until April 2021.

On 7 September 2020 a request was made to deregister the company for VAT purposes. On 29 September 2020 HMRC advised that the company had opted to tax on property owned and required completion of Option to tax form. This was completed and returned on 7 October 2020. Again, due to the pandemic and slow down of HMRC processing, and although the de-registration was effective on 2 September 2020, a final VAT return wasn't received until 23 February 2021.

The company's accountant completed two pre appointment Corporation tax returns for the year ended 30 September 2019 and period ended 28 January 2020. These were submitted on 24 August 2020 and tax paid of £94.52 on 24 August 2020.

Closure was initially delayed due to the ongoing delays with the recovery of VAT correction receipt and VAT de-registration of the Company.

A third shareholders dividend was declared on 13 July 2021.

A request was submitted to HMRC departments (VAT and CT) for closure clearance to enable steps to be taken to close my files. Clearance was received for VAT in July 2021. Corporation tax clearance was delayed and not received until 4 July 2022

Liquidator actions since 28 January 2022.

An annual progress report was prepared and issued to the member and filed at Companies House.

A request had previously been made to take the liquidation bank account off interest bearing in anticipation of liquidation closure. This had not been actioned and was followed up in this reporting period.

A fourth and final dividend was declared to the sole shareholder on 6 July 2022 following receipt of Corporation tax closure clearance.

This draft final report was prepared and issued to the member.

There is certain work that I am required by the insolvency legislation to undertake in connection with the liquidation that provides no financial benefit for the Members. A description of the routine work undertaken since my last progress report is contained in Appendix A

RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 29 January 2020 to 5 August 2022 and for the period since 28 January 2022 is attached. All amounts are shown net of VAT. I have reconciled the account against the financial records that I am required to maintain.

ASSET REALISATIONS

Other than a small receipt of bank interest all realisations were completed prior to his reporting period

Cash at Bank

Book Value	£704,963	Realised	£704,922.88
------------	----------	----------	-------------

As previously reported all the funds were received by bank transfer shortly after the commencement of liquidation.

VAT refund

Book Value	£20724	Realised	£20,724
------------	--------	----------	---------

The VAT refund was received on 22 April 2021. Details of the work undertaken in respect of the refund were included in my previous reports..

CT refund

Book Value	£nil	Realised	£448.88
------------	------	----------	---------

The Company received a CT refund on 27 July 2021. This related to the accounting period 1 October 2019 to 29 January 2020.

Gross Bank interest

Book Value	£nil	Realised	£83.90
------------	------	----------	--------

This is interest received from funds held in the liquidation estate bank account. This was removed from interest bearing in April 2022.

LIABILITIES

Summary

All creditors have been paid in full. No statutory interest at the rate of 8% per annum from the date of the winding up resolution to the date of payment was payable except to G C & Co (legal Services) Ltd and Muras Baker Jones Ltd, who specifically waived their right to statutory interest.

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has no current charges over its assets.

Preferential Creditors

The Declaration of Solvency did not indicate any preferential creditors, no claims under this heading were received.

Crown Creditors

The Declaration of Solvency included £106 as an estimation due to HMRC for corporation tax. A sum of £92.52 was paid in full settlement to HMRC for CT on 25 August 2020. Confirmation of no claim was received from HMRC VAT on 7 July 2021. Confirmation of no claim was received from HMRC for corporation tax on 4 July 2022.

Non-preferential unsecured Creditors

Accruals and Liquidator pre app

Book Value	£23,279	Paid	£23,223.60
------------	---------	------	------------

The Declaration of Solvency included 2 non-preferential unsecured creditors with an estimated total liability of £23,279. The sum of £2,500 plus VAT was paid in respect of the pre liquidation fee for Muras Baker Jones Ltd and £20,723.60 was paid to the development supplier's VAT only invoice. No other claims have been received by the liquidator. The supplier has agreed to waive any entitlement to statutory interest.

DISTRIBUTIONS TO MEMBERS

The following distributions were made to the Members :

Date	Amount distribution £	Rate of distribution per share
3 April 2022	£12,000	£12 per share
11 May 2020	£625,000	£ 625 per share
13 July 2021	£53,000	£53 per share
6 July 2022	£3566.54	£3.56 per share
Total	£653,566.54	£693.56 per share

PRE-APPOINTMENT REMUNERATION

The fee of £2,500 plus VAT for preparing the Declaration of Solvency and convening the meeting was paid on appointment, and is included in the enclosed Receipts and Payments Account within the payments made to unsecured creditors.

LIQUIDATOR'S'S REMUNERATION

My remuneration was previously authorised by Members at a meeting held on 29 January 2020 to be drawn on a time cost basis capped at £5,500 plus VAT. On the 26th July 2021 by a resolution of members the cap was increased to £8,500 plus VAT. My total time costs amount to £12,307.20, representing 62.8 hours of work at a blended charge out rate of £195.97 per hour, of which £1,151, representing 5.9 hours of work was charged in the period since 28 January 2022, at a blended charge out rate of £195.08 per hour).

I have drawn £8,500 Plus VAT, of which £nil was drawn in the period since 28 January 2022.

A schedule of my time costs incurred to date and in the period since 28 January 2022 is attached.

A copy of 'A Members' Guide to Liquidators' Fees', together with an explanatory note which shows Muras Baker Jones Ltd's fee policy are enclosed.

LIQUIDATOR'S EXPENSES

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a Member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Expenses are split into:

- Category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
- Category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an office holder's remuneration.

I have incurred total expenses of £798 of which I incurred £nil in the period since 28 January 2022. I have drawn £798 to 6 July 2022, of which £nil was drawn in the period since 28 January 2022.

The expenses incurred are in line with the estimate of expenses provide at the outset of the liquidation. Legal costs were not incurred and no charge was made for accountancy costs.

I have not used any professional advisors in the reporting period. As detailed in my previous reports I have used the following professional advisors

Professional Advisor	Nature of Work	Basis of Fees
J S Craig	Accountancy	No costs charged

The work undertaken included the preparation and submission of the company's final corporation tax returns and assistance with HMRC forms opt to tax and correction of VAT return.

The choice of professionals used 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. I also confirmed that they hold appropriate regulatory authorisations. I have reviewed the fees they have charged and am satisfied that they are reasonable in the circumstances of this case.

I have not any expenses in the period since the last progress report:

Details of the category 1 expenses that I have paid to date and in the reporting period are included in the receipts and payments account attached.

I am required to seek approval before I can pay any expenses to associates, or pay expenses where there is an element of shared costs, which are known as category 2 expenses. I have obtained approval to pay the following category 2 expenses. I have not incurred any category 2 expenses since commencement of the liquidation.

SUMMARY

If Members have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Adrian Simcox on 01902 393000, or by email at adrian.simcox@muras.co.uk before my release.

A handwritten signature in black ink, appearing to read 'MJB', with a small horizontal line extending from the end.

Mark Jonathan Botwood
LIQUIDATOR

Mark Botwood is licenced to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England & Wales.

Appendix A

1. Administration and Planning

This represents the work involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder. It does not give direct financial benefit to the Members, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Dealing with all routine correspondence and emails relating to the case.
- maintaining and managing the office holder's estate bank account.
- maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing annual progress reports to the Members.
- Filing returns at Companies House.
- Preparing, reviewing and issuing a draft final account of the liquidation to the Members.
- Issuing the final account to the Members
- Filing the final account at Companies House.
- Reviewing proofs of debt received from creditors, adjudicating on them and formally

Sedgemere Developments Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Declaration of Solvency £		From 29/01/2022 To 05/08/2022 £	From 29/01/2020 To 05/08/2022 £
	ASSET REALISATIONS		
704,963.00	Bank Interest Gross	0.08	83.90
	Cash at Bank	NIL	704,922.88
20,724.00	CT Tax Refund	NIL	449.88
	VAT Refund	NIL	20,724.00
		0.08	726,180.66
	COST OF REALISATIONS		
	Corporation Tax	NIL	15.58
	Insolvency Bond	NIL	515.00
	Liquidators Remuneration	NIL	8,500.00
	London Gazette Advertising	NIL	257.55
	Postage	NIL	9.87
		NIL	(9,298.00)
	UNSECURED CREDITORS		
(20,779.00)	Accruals	NIL	20,723.60
(106.00)	HMRC - CT	NIL	92.52
(2,500.00)	Muras Baker Jones - pre app	NIL	2,500.00
		NIL	(23,316.12)
	DISTRIBUTIONS		
	1st Dist 3.4.2020 @£12 per share	NIL	12,000.00
	2nd Dist 11.5.20 £625 per share	NIL	625,000.00
	3rd Dist 13.07.2021 £53 per share	NIL	53,000.00
	4th Dist 6.07.2022 £3.57 per £1 share	3,566.54	3,566.54
		(3,566.54)	(693,566.54)
702,302.00		(3,566.46)	0.00
	REPRESENTED BY		NIL

Note:

The above figures are shown net of VAT

Distributions

A first capital distribution of £12 per share was declared payable to the sole shareholder holding 1000 ordinary £1 shares on 3 April 2020.

A second capital distribution of £625.00 per share was declared payable to the sole shareholder holding 1000 ordinary £1 shares on 11 May 2020

A third capital distribution of £53.00 per share was declared payable to the sole shareholder holding 1000 ordinary £1 shares on 13 July 2021

A fourth and final capital distribution of £3.56654 per £1share was declared payable to the sole shareholder holding 1000 ordinary £1 shares on 6 July 2022



Mark Jonathan Botwood
Liquidator

SEDGEMERE DEVELOPMENTS LTD TIME ANALYSIS FOR THE PERIOD 29 JANUARY 2022 to 5 AUGUST 2022

Classification of Work Functions	HOURS RECORDED			Total Hours	Time Costs	Average hourly rate (£)
	Director	Senior Staff	Support Staff			
Administration & Planning	0.20	5.70		5.90	1,151.00	195.08
Investigations						
Realisation of Assets						
Creditors						
Case Specific						
Total Hours	0.20	5.70	0.00	5.90		
Total Fees Claimed (£)	68.00	1083.00			1,151.00	195.08

SEDGEMERE DEVELOPMENTS LTD TIME ANALYSIS TO 5 AUGUST 2022

Classification of Work Functions	HOURS RECORDED			Total Hours	Time Costs	Average hourly rate (£)
	Director	Senior Staff	Support Staff			
Administration & Planning	5.00	52.30		57.30	11,279.90	196.86
Investigations						
Realisation of Assets		1.80		1.80	325.80	
Creditors	0.20	3.50		3.70	701.50	189.59
Case Specific						
Total Hours	5.20	57.60	0.00	62.80		
Total Fees Claimed (£)	1568.00	10739.20			12,307.20	195.97

MURAS BAKER JONES LIMIED

PRACTICE FEE RECOVERY POLICY

Introduction

This sheet explains the alternative fee bases allowed by the insolvency legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court. The report accompanying the request to fix the basis of remuneration will indicate the basis, or bases, being requested in that particular case and will make it clear what work is to be undertaken in respect of each basis.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) "Payments to Insolvency Office Holders and their Associates from an Estate" and can be accessed at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/guide-to-liquidators-fees/>

Alternatively, a hard copy may be requested from Muras Baker Jones Limited, Regent House, Bath Avenue, Wolverhampton, WV1 4EG. Please note that we have provided further details in this policy document.

SIP 9 also contains various requirements that the office holder has to comply with in connection with their remuneration, both when seeking approval and when reporting to creditors and other interested parties after approval. One of the matters that an office holder has to comply with is that they must also seek approval for any payments that could reasonably be perceived as representing a threat to the office holder's objectivity or independence by virtue of a professional or personal relationship, including to an associate. Where it is anticipated that such payments will be made in a case they will be separately identified when seeking approval for the basis of the office holder's remuneration.

Other than in respect of Voluntary Arrangements an office holder is required to record the time spent on casework in all cases, even if they are being remunerated for that work on a basis other than time costs. Time is recorded directly to the relevant case and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:-

- Case Administration (including statutory reporting).
- Realisation of Assets.
- Investigations.
- Creditors (claims and distributions).
- Trading
- Case specific matters.

Time cost basis

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

Charge out Rates

Grade of staff	Current charge-out rate per hour, effective from 1 July 2022	Previous charge-out rate per hour, effective from 1 July 2021 to 30 June 2022
	£	£
Director – appointment taker	357	340
Manager	250	-
Case Administrator	200	190
Junior Case Administrator	100	-
Support Staff	50	36

Where necessary and appropriate, members of staff from other departments of the practice will undertake work on a case. They will be charged at their normal charge out rates for undertaking such work, as follows:-

Grade of staff	Current charge-out rate per hour, effective from 1 July 2022	Previous charge-out rate per hour, effective from 1 July 2021 to 30 June 2022
	£	£
Tax Director	329	313
Assistant tax manager	140	133
Corporate Services Manager	139	132
Payroll assistant	62	59

In cases where these staff undertake work, specific approval will be sought for the payment of the fees incurred.

These charge-out rates charged are reviewed on 1 July each year and are adjusted to take account of inflation and the firm's overheads.

When we seek time costs approval, we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate, and by reference to each separate category of work. The blended rate is calculated as the prospective average cost per hour, based upon the estimated time to be expended by each grade of staff at their specific charge out rate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

A report accompanying the request to fix the basis of remuneration will include the fees estimate, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate, and by reference to

each separate category of work, and will also say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. A report accompanying the request to fix the basis of remuneration will set out the potential assets in the case, the remuneration percentage proposed in respect of any realisations and the work covered by that remuneration, which may solely relate to work undertaken in connection with the realisation of the assets, but might also include other categories of work as listed above. The report will also include details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

A percentage of distributions made to unsecured creditors may also be requested, in order to cover the work associated with the agreement of claims and making the distribution.

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 it will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

Fixed fee

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. A report accompanying the request to fix the basis of remuneration will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 we will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

Direct Costs

Where we seek approval on a percentage and/or fixed fee basis, in order to meet the requirements of SIP 9 we also have to disclose the direct costs that are included within the remuneration that will be charged on those bases in respect of the work undertaken. The direct costs that will be included in respect of work undertaken in respect of each of the standard categories of work listed below where the office holder is to be remunerated for such work on either a percentage or fixed fee basis are all costs incurred in administering the estate apart from those expenses charged to the estate as Category 1 expenses and category 2 expenses.

- Case Administration (including statutory reporting)
- Realisation of Assets
- Investigations
- Creditors (claims and distributions)

Mixed basis

If remuneration is to be sought on a mixed basis, we will make it clear in the report accompanying the request to fix the basis of remuneration which basis will be charged for each category of work that is to be undertaken on the case.

Members' voluntary liquidations and Voluntary Arrangements

The legislation is different for members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) and Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee, and SIP 9 does not apply unless the members specifically request it. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

All fee bases

With the exception of IVAs and CVAs, which are usually VAT exempt, the office holder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Expenses

As already indicated, a report will accompany the request to fix the basis of remuneration and that will include details of expenses to be incurred, or likely to be incurred. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Expenses are any payments from the insolvent estate that are neither an office holder's remuneration nor a distribution to a creditor, or a member. Expenses also include disbursements. Disbursements are payments that are first paid by the office holder and then reimbursed from the insolvent estate. Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do (Category 2).

Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder. They can be paid by the office holder without obtaining prior approval. . Examples of costs that may amount to Category 1 expenses are professional advisors (who are not associates), statutory advertising, external meeting room hire (where the room is only hired for that meeting), external storage, specific penalty bond insurance, insolvency case management software fees charged on a per case basis, and Company search fees.

Category 2 expenses are either payments to associates, or payments in respect of expenses that have an element of shared costs, such as photocopying and mileage. Category 2 expenses require approval in the same manner as an office holder's remuneration before they can be paid.

The practice intends to seek approval to recover the following Category 2 expenses that include an element of shared costs:-

Mileage	45p per mile
Photocopying	7.5p per sheet

Professional advisors may be instructed to assist the office holder on the case where they consider that such assistance is necessary to enable them to appropriately administer the case. The fees charged by any professional advisors used will be recharged at cost to the case. Where the professional advisor is not an associate of the office holder it will be for the office holder to agree the basis of their fees. Where the professional advisor is an associate of the office holder it will be for those responsible for fixing the basis of the office holder's remuneration to approve payments to them. The fees of any professional advisors are subject to the rights of creditors to seek further information about them or challenge them as summarised below. Professional advisors that may be instructed on a case include:-

- Solicitors/Legal Advisors;
- Auctioneers/Valuers;
- Accountants;
- Quantity Surveyors;
- Estate Agents;
- Pension specialists;
- Employment Claims specialists; and
- GDPR/Cyber Security specialists.

Where FBC Manby Bowdler Solicitors LLP are instructed by the office holder as a professional advisor to assist in administering a case they will be regarded as an associate. The firm and some of its partners are clients of the office holders practice for accountancy and taxation services, and have a long term professional relationship with the office holder and the office holders practice in providing legal advice on insolvency matters, and legal advice to clients of the practice. The firm is independent of the office holders practice. Their fees will be on a time costs basis with reference to their normal charge out rates.

Their current charge out rates are as follows:-

Grade of staff	Current charge-out rate per hour, effective from 1 April 2022	Previous charge-out rate per hour, effective from 1 April 2021 to 31 March 2022
	£	£
Partners	295	280
Senior Associate	270	260
Associate/Team leader	260	250
Senior Solicitor	250	245
Senior Solicitor & Legal Exec	245	235
Solicitor/Legal Exec band 2	220	215
Solicitor/Legal Exec band1	210	195
Paralegal/Trainee	160	155
Cost Drafting	160	155
Support staff	115	115

Reporting and rights to challenge

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration charged by the office holder in the period covered by the report, i.e., the amount that the office holder is entitled to draw, together with the amount of remuneration actually drawn. If approval has been obtained for remuneration on a time costs basis, the time costs incurred will also be

disclosed, whether drawn or not, together with the “blended” rates of such costs. The report will also compare the actual time costs incurred with those included in the fees estimate prepared when fixing the basis of the remuneration, and indicate whether the fees estimate is likely to be exceeded. If the fees estimate has been exceeded, or is likely to be exceeded, the report will explain why that is the case.

The report will also provide information about expenses incurred in the period covered by the report, together with those actually paid, together with a comparison with the estimated expenses. If the expenses incurred, or anticipated to be incurred, have exceeded the estimate provided the report will explain why that is the case.

Under the insolvency legislation the report must also include a statement of the legislative rights of creditors to request further information about the remuneration charged and expenses incurred in the period covered by the report, or to challenge them on the grounds that they are excessive. Extracts of the relevant insolvency rules dealing with these rights are set out below. Once the time period to seek further information about the office holder’s remuneration and/or expenses for the period covered by the report has elapsed, then a Court Order is required to compel the office holder to provide further information about the remuneration and expenses. A Court order is required to challenge the office holder’s remuneration and/or expenses for the period covered by the report. Once that period has elapsed, then a separate Court Order is required to allow an application out of time.

Under rule 18.9 of the Insolvency (England and Wales) Rules 2006, 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 office holder’s remuneration and expenses, within 21 days of receipt of any report for the period. Any secured creditor may request the same details in the same time limit.

Under rule 18.34, an unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the office holder’s fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of any report for the period. Any secured creditor may make a similar application to court within the same time limit.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

LIQUIDATION - **A MEMBERS' GUIDE TO FEES** IN ENGLAND AND WALES

1 Introduction

- 1.1 When a Company goes into Members' Voluntary Liquidation, the costs of the proceedings are paid out of its assets. A declaration of solvency is sworn by the directors indicating that the creditors will be paid in full with statutory interest from the Company's assets, with the remaining assets being distributed to the members. As a result, it is the members who 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 a mechanism for members to fix the basis of the Liquidator's fees. This guide is intended to help members be aware of their rights to approve and monitor fees, explains the basis on which fees are fixed and how members can seek information about expenses incurred by the Liquidator and challenge those they consider to be excessive.
- 1.2 In addition to the insolvency legislation, Insolvency Practitioners also have to comply with various Statements of Insolvency Practice (SIP). SIP 9 deals with payments to office holders and their associates from an insolvency estate, and this Guide includes information about various disclosure requirements imposed on the Liquidator by SIP 9. However, the disclosure requirements of SIP 9 do not apply to Members' Voluntary Liquidations unless those paying the Liquidator's fees want the Liquidator to make such disclosure.

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. A solvent voluntary liquidation is called a Members' Voluntary Liquidation (often abbreviated to 'MVL'). In this type of liquidation an Insolvency Practitioner acts as Liquidator throughout and the members appoint the Liquidator at a general meeting of the Company.
- 2.3 In an MVL all creditors must be paid in full with statutory interest within the period stated in the declaration of solvency otherwise the Liquidator will have to convene a meeting of creditors and convert it to a Creditors' Voluntary Liquidation, i.e. an insolvent liquidation.

3 Fixing the Liquidator's **remuneration**

3.1 Basis

The basis for fixing the Liquidator's remuneration is set out in Rule 18.16 of The Insolvency (England and Wales) Rules 2016. The Rule states 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.

3.2 Who fixes the remuneration?

Rule 18.19 indicates that it is for the members at a general meeting of the Company 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 members to determine the percentage or percentages to be applied and Rule 18.16(9) says that in arriving at their decision the members 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 winding up;
- the effectiveness with which the Liquidator appears to be carrying out, or to have carried out, his or her duties; and
- the value and nature of the assets with which the Liquidator has to deal.

3.3 A resolution specifying the terms on which the Liquidator is to be remunerated may be taken at the general meeting of the Company which appoints the Liquidator.

3.4 If the remuneration is not fixed as above, 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 or her remuneration fixed by the members as described above, and in any case not later than 18 months after his or her appointment.

4 Review of remuneration

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

5 What information should be provided by the Liquidator?

5.1 General principles

5.1.1 The Liquidator should provide those responsible for approving his or her remuneration with sufficient information to them to make an informed judgement about the reasonableness of the Liquidator's request. The information should be presented in a manner which is transparent, consistent throughout the life of the case and useful to members, while being proportionate to the circumstances of the case.

5.1.2 The Liquidator should disclose:

- all payments, remuneration and expenses arising from the administration paid to the Liquidator or his or her associates;
- any business or personal relationships with parties responsible for approving the Liquidator's remuneration or who provide services to the Liquidator in respect of the insolvency appointment where the relationship could give rise to a conflict of interest.

The Liquidator should inform members of their rights under insolvency legislation, and should advise them how they may access suitable information setting out their rights within the first communication with them and in each subsequent report.

5.1.3 Where the Liquidator sub-contracts out work that could otherwise be carried out by the Liquidator or his or her staff, this should be drawn to the attention of members with an explanation of why it is being done, what is being done and how much it will cost.

5.1.4 All payments from an estate should be fair and reasonable and proportionate to the liquidation. Payments to the Liquidator from an estate should be fair and reasonable reflections of the work necessarily and properly undertaken.

5.1.5 Payments to the associates of a liquidator from the estate should be fair and reasonable reflections of the work necessarily and properly undertaken in the liquidation.

5.1.6 Payments that could reasonably be perceived as presenting a threat to the liquidator's objectivity or independence by virtue of a professional or personal relationship, including to an associate, should not be made from the estate

unless disclosed and approved in the same manner as the liquidator's remuneration or category 2 expenses.

5.1.7 Disclosures by a liquidator should be of assistance to members and other interested parties in understanding what was done, why it was done, and how much it cost.

5.2 Key issues

5.2.1 The key issues of concern to those with a financial interest in the level of payments from the insolvency estate will commonly be:

- the work the Liquidator anticipates will be done, and why that work is necessary;
- the anticipated cost of that work, including any expenses expected to be incurred in connection with it;
- whether it is anticipated that the work will provide a financial benefit to members, and if so what benefit (or if the work provided no direct financial benefit, but was required by statute);
- the work actually done and why that work was necessary;
- the actual costs of the work, including any expenses incurred in connection with it, as against any estimate provided;
- whether the work has provided a financial benefit to members, and if so what benefit (or if the work provided no direct financial benefit, but was required by statute).

When providing information about payments, fees and expenses, the Liquidator should do so in a way which facilitates clarity of understanding of these key issues. Narrative explanations should be provided to support any numerical information supplied. Such an approach allows the members to better recognise the nature of a liquidator's role and the work they intend to undertake, or have undertaken, in accordance with these key issues.

5.2.2 When approval for a fixed amount or a percentage basis is sought, the Liquidator should explain why the basis requested is expected to produce a fair and reasonable reflection of the work that the Liquidator anticipates will be undertaken.

5.3 Expenses

5.3.1 Expenses are any payments from the estate which are neither a Liquidators remuneration nor a distribution to a creditor or member. Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2).

- Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not associates of the Liquidator. Category 1 expenses 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 expenses: These are payments to associates or which have an element of shared costs. They may include shared or allocated costs that may be incurred by the Liquidator or their firm, and that can be allocated to the liquidation on a proper and reasonable basis. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.

When seeking approval, the Liquidator should explain, for each category of cost, the basis on which the charge is being made. If the Liquidator has obtained approval for the basis of Category 2 expenses, that basis may continue to be used in a sequential appointment where further approval of the basis of remuneration is not required, or where the Liquidator is replaced.

5.3.2 The following are not permissible as expenses:

- a charge calculated as a percentage of remuneration;
- an administration fee or charge additional to the Liquidator's remuneration;
- the recovery of overheads other than those absorbed in the charge out rates.

6. Progress reports and requests for further information

6.1 The Liquidator is required to send annual progress reports to members. In addition to the items described above and especially those in paragraph 5.2.1, the reports must include:

- details of the basis fixed for the fee 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 fee 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 fee charged during the periods covered by the previous reports, together with a description of the things 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;
- details of progress during the period of the report, including a summary of the receipts and payments during the period;
- details of what remains to be done;

- where appropriate, a statement setting out whether, at the date of the report:
 - the expenses incurred or expected to be incurred are likely to exceed, or have exceeded, the details given to the creditors prior to the determination of the basis of fees; and
 - the reason for that excess.
 - a statement of the members' rights to request further information, as explained in paragraph 6.2, and their right to challenge the Liquidator's fees and expenses.
- 6.2 Within 21 days of receipt of a progress report, a member 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 by a member or members representing at least 5% in value of the total voting rights of members (including himself), or any member with the permission of the Court.
- 6.3 The Liquidator must provide the requested information within 14 days, unless he or she 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.
- 6.4 Any member 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.

7. Provision of information – additional requirements

- 7.1 The Liquidator must provide certain information about the time spent on the case, free of charge, upon request by any creditor, director or member 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.
- 7.2 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.

7.3 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.

8 What if a member is dissatisfied?

8.1 If a member believes that the basis of the Liquidator's remuneration is inappropriate, or the remuneration charged or expenses incurred by the Liquidator are in all the circumstances excessive he may, provided certain conditions are met, apply to the Court.

8.2 Application may be made to the Court by any member or members representing at least 10 per cent in value of voting rights (including himself), or by any member with 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 6.1 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.

8.3 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 Company being wound up.

9. What if the Liquidator is dissatisfied?

9.1 If the Liquidator considers that the remuneration fixed by the members is insufficient or that the basis used to fix it is inappropriate, he or she may apply to the Court for the amount or rate to be increased or the basis changed.

9.2 If he or she decides to apply to the Court he must give at least 14 days' notice to the members, or such one or more of the members as the Court may direct, to appear or be represented at the Court hearing. The Court may order the costs of the application or of any member appearing at the Court hearing to be paid out of the assets.

10. Other matters relating to remuneration

10.1 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 or a meeting of members.

- 10.2 If the appointed Liquidator is a solicitor and employs his or her own firm to act in the winding up, profit costs may not be paid unless authorised by the members or the Court.
- 10.3 If a new Liquidator is appointed in place of another, any determination 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 by the members, or Court order, is made.
- 10.4 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, i.e. either to the members or the Court. Where the outgoing Liquidator and the incoming Liquidator are from the same firm, they will usually agree the apportionment between themselves.
- 10.5 There may also be occasions when members 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 members. Arrangements of this kind are sometimes made to fund litigation. Any arrangements of this nature will be a matter for agreement between the Liquidator and the members concerned and will not be subject to the statutory rules relating to remuneration.

11. Effective date

This guide applies where a Liquidator is appointed on or after 1 October 2015, or where information is provided by the Liquidator about fees, expenses or other payments after 1 April 2021.

Appendix

Suggested format for the provision of information

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

Narrative overview of the case

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

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

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

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

Time cost basis

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

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

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

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

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

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

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

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

- where cumulative time costs are, and are expected to be, less than £10,000 the Liquidator should, as a minimum, state the number of hours and average rate per hour and explain any unusual features of the case;

- where cumulative time costs are, or are expected to be, between £10,000 and £50,000, a time and charge-out summary similar to that shown above will usually provide the appropriate level of detail (subject to the explanation of any unusual features);
- where cumulative time costs exceed, or are expected to exceed, £50,000, further and more detailed analysis or explanation will be warranted.