

Liquidator's Progress Report**S.192****Pursuant to Sections 92A, 104A and 192 of the
Insolvency Act 1986**

To the Registrar of Companies

Company Number

07044076

Name of Company

(a) Insert full name of
company

(a) AA PIZZAS LIMITED

Limited

(b) Insert full name(s) and
address(es)

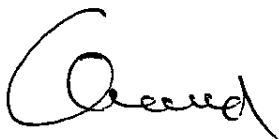
I/We (b)

Salman Saud of Saud and CO, 105/111 Euston Street, London, NW1 2EW

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 22 March 2012 to 21 March 2013

Signed



Date 19th April 2013

Presenter's name,
address and reference (if
any)Salman Saud
Saud and CO
105/111 Euston Street
London
NW1 2EW

TUESDAY

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QIQ 30/04/2013 #14
COMPANIES HOUSE

AA PIZZAS LIMITED IN LIQUIDATION

DRAFT FINAL REPORT

19 April 2013

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1. COMPANY INFORMATION

REGISTERED NAME, ADDRESS AND NUMBER

AA Pizzas Limited (In Liquidation), ("the Company")

Registered office 105/111 Euston Street, London, NW1 2EW

Registered Number 07044076

Other trading names Perfect Pizza

Trading address 614 Walsall Road, Great Barr B42 1EZ

LIQUIDATION APPOINTMENT DETAILS

Salman Saud was appointed Liquidator of AA Pizzas Limited on the 22 March 2012

2. INTRODUCTION

The purpose of this report is to provide a final draft report to creditors and to put creditors on notice of the Joint Liquidators intention to resign and seek release from office. The report details the acts and dealing of the Joint Liquidators and it should be read in conjunction with previous correspondence to Creditors.

3. BACKGROUND

The Liquidator was appointed on 22 March 2012 which followed meetings of the members and creditors of the Company on that day.

4. ASSET REALISATIONS

The Joint Liquidators Receipts and Payment account for the period from 22nd March 2012 date of my appointment as liquidator to 19th April 2013 date of this report is attached at appendix 1.

According to the statement of affairs lodged in these proceedings, the company had no assets estimated to be realised.

Assets

However, the liquidator managed to realise the balance at bank of £1 33, this proved the only asset to be realised in this liquidation as can be seen in the liquidator's Abstract of Receipts and Payments from the date of my appointment to the date of this report attached at Appendix 1.

Payments

No payments have been made.

5. INVESTIGATION

The directors conduct report was submitted to the Insolvency Service on 12th September 2012. The contents of this report are confidential.

Potential Antecedent Transactions

There were no antecedent transaction identified and accordingly to be pursued.

6. CREDITORS

Secured Creditor

The company had no secured creditors

Dividend in Relation to the Prescribed Part

Under the provisions of Section 176A of the Insolvency Act 1986 the Liquidator must state the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where the company has granted a floating charge to a creditor after 15 September 2003. As the company had no charge this will not give rise to a prescribed part.

The prescribed part will have been calculated as follows -

50 % of £10,000	£ 5,000
20% of £XXXXXXX	<u>XXXXXX</u>
Total prescribed part	<u>XXXXXX</u>

The prescribed part amount was distributed as detailed below

Unsecured creditors

12 Creditors claims, as per the statement of affairs totalled £98,333.6 and the only agreed creditor claims amounted to £280.00. Unfortunately, there were insufficient funds to pay a dividend to any class of creditor.

7. COSTS AND EXPENSES

There are no payments shown on the summary of the Receipts and Payments at Appendix I are in the main self-explanatory.

Pre-Appointment Remuneration

The members and creditors previously authorised the payment of a fee of £2,800.00 for assistance with the statement of affairs and producing and circulating the notices for the meetings of members and creditors prior to my appointment at a meeting held on 22nd March 2012. The fee for the statement of affairs and meetings was £2,800.00.

The Company's director paid the fee for the Statement of Affairs and meeting prior to my appointment as liquidator.

Liquidator's Remuneration

The Liquidator's remuneration was authorised by creditors at the S98 Meeting held on 22nd March 2012 in accordance with Insolvency Rules 1986 S4 127(2)(b) on a time cost basis in relation to this assignment in accordance with the following resolution:

"That the Liquidator's is authorised to draw his remuneration on the basis of time properly spent by them and their staff, such time costs to be drawn on account from time to time as funds permit."

Summary of Costs

The Liquidator's time costs for the period from 22nd March 2012 date of my appointment as liquidator of this report 19th April 2013 totals £12,904.00 representing 113.99 hours at an average hourly rate of £113.20. Please note that the liquidator was not able to draw any remuneration and accordingly his remuneration will have to be integrally written off. The time costs are detailed at appendix 2. The total time costs during the period of appointment amount to £12,904.00.

Liquidator's Disbursements

The Liquidator's category 1 disbursements for the period 22nd March 2012 date of my appointment as liquidator to 19th April 2013 date of this draft final report total £837 80 and are detailed at appendix 2 and represent the simple reimbursement of actual out of pocket payments made on behalf of the assignment

The Liquidator's category 2 disbursements for the period 22nd March 2012 date of my appointment as liquidator to 19th April 2013 date of this draft final report total £325 00, which may include an element of overhead charges in accordance with the resolution passed by creditors at a meeting held on 22nd March 2012. The basis of calculation of this category of disbursement was disclosed to creditors prior to the resolution being passed and is also detailed at appendix 2

Please note that the liquidator was not able to draw category 1 and 2 disbursements, only the balance at bank of £1 33 will be used and the balance will have to be written off

Other professional Costs

No other professional were engaged in this matter and accordingly there was no associated costs

8. FURTHER INFORMATION

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

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

9. CONCLUSION


It is intended that a final meeting be convened for 14th June 2013 at 02 30 pm and is being held at the offices of Saud & Co Limited, Basement, 105/111 Euston Street, London NW1 2EW. Please note that this meeting is purely a formality and there is no necessity to attend. The only information that will be presented to this meeting comprises this report and the attachments.

If you do not wish to attend the meeting of creditors personally then the proxy form must be returned by the date and time specified in the notice in order for your claim to be admitted for voting purposes. If you have not previously submitted a proof of debt in these proceedings you must submit one along with the proxy form.

The proxy form should nominate a proxy-holder, which may be the chairman of the meeting, and who will vote in accordance with your instructions. The Chairman will either be myself, or a manager at this office. Please note that if proxies are given to the Official Receiver they will be invalid.

The meeting is for the purpose of the Liquidation resigning from office and seeking his release and this is detailed in the resolution on the proxy form. If there is no objection to the Liquidator's resignation then the Liquidator will be released upon giving notice of the resignation to the Registrar of Companies in accordance with Rule 4 122(1).

Should you have any queries regarding this matter, or the contents of this report, please do not hesitate to contact Michel Dupont on 0208 304 0609



Salman Saud
Liquidator

Case Name	A A PIZZA LIMITED	
Court & Number	N/A	
Office Holder	Salman Saud	
Firm	Saud & Co.	
Address	105 - 111 Euston Street London NW1 2EW	Leigh House, 2nd Floor 7 Station Approach Bexleyheath DA7 4QP
Telephone	0207 387 7761	0208 304 0609
Fax	0207 387 8009	0700 680 8816
E-mail	info@saudandco.co.uk	info@saudandco.co.uk
Case Reference	CVL0046	
Type of Appointment	Liquidator	
Date of Appointment	22nd March 2012	
Remuneration agreed by:		
Creditors Committee on:	Date of resolutions	
Creditors on:	<input type="checkbox"/> NO	22nd March 2012
- At first meeting	<input type="checkbox"/> Yes	22nd March 2012
- Resolution on Proxy	<input type="checkbox"/> Yes	22nd March 2012
Remuneration based on:		
A scale set out in the Rules (formerly known as OR Scale)		
Time cost (see hourly rate on creditors' guide)	<input type="checkbox"/>	22nd March 2012
A percentage of (please give details)	<input type="checkbox"/>	
Other (please give details)	<input type="checkbox"/>	
Debentures	Validity <input type="checkbox"/>	Date of creation

REMUNERATION APPLICATION

FRONT SHEET

Case Name: A A PIZZA LIMITED

PRE-APPOINTMENT	HOURS SPENT						Total Hours	Time Cots £	Average Hourly rate £
	Partners SS	Partners	S. Manager DM	Administrat VR & CG	Ass Etc MP				
Administration & Planning	7 75	0	0 92	0 00	7 38		16 05	2,282 95	142 24
Investigations	3 83	0	0 42	0 00	0		4 25	1,043 60	245 55
Assets realisations	1 5	0	0 00	0	0		1 5	337 50	225 00
Trading	0	0	0 00	0	0		0	0 00	0 00
Creditors	2 75	0	0 33	0	0		3 08	679 80	220 71
Case specific matters	0	0	0 00	0	0		0	0 00	0 00
- EPA							0	0 00	
Total Hours	15 83	0	1 67	0	7 38		24 88	4,343 85	174 59
Total Fees Claimed	3,657 50	0 00	317 35	0 00	369 00		4,343 85		

Statement of Affairs Fee £2,800

POST-APPOINTMENT	HOURS SPENT						Total Hours	Time Cots £	Average Hourly rate £
	Partners SS	Partners	S. Manager DM	Administrat VR & CG	Ass Etc MP				
Administration & Planning	7 50	0 00	4 02	5 26	63 54		80 32	6,265 70	78 01
Investigations	8 50	0 00	11 67	0 33	0 00		20 5	4,558 60	222 37
Assets realisations	0 92	0 00	0 25	1 68	0 00		2 85	463 25	162 54
Trading	0 00	0 00	0 00	0 00	0 00		0	0 00	0 00
Creditors	5 00	0 00	1 67	0 00	3 65		10 32	1,616 45	156 63
Case specific matters	0 00	0 00	0 00	0 00	0 00		0	0 00	0 00
- EPA							0	0 00	
Total Hours	21 92	0	17 61	7 27	67 19		113 99	12,904 00	113 20
Total Fees	5,144 50	0 00	3,491 25	908 75	3,359 50		12,904 00		

NOTES:

- 1 - Charge-out rates of all grades of staff (See Creditors' Guide attached)
- 2 - All fees stated are excluding VAT

STANDARD ACTIVITY:

Administration & Planning

Investigations

Realisation of Assets

Trading

Creditors

Case specific matters
other as per details

EXAMPLES OF WORK UNDERTAKEN:

- Case planning
- Administration set-up
- Appointment notification
- Maintenance of records
- Statutory reporting
- Director's conduct investigations
- Director's conduct reports
- Investigations of antecedent transactions
- Case review
- Identifying, securing insuring assets
- Retention of Title
- Debt collection
- Property, business and asset sales
- Assets realisation & follow up
- Debenture matters
- Management of operations
- Accounting for trading
- On-going employees issues
- Communication with creditors
- Creditors' claims
- Employees claims
- Other preferential creditors claims
- EPA claims

paid or payable by the Office Holders and
to be refunded by:

A A PIZZA LIMITED

Office Holders remuneration

As per Office Holders application	12,904 00	0 00	0 00	12,904 00	
Less: already drawn on account	0 00	0 00	0 00	0 00	
Balance due to Office Holders excluding VAT	12,904.00	0.00	0.00	12,904.00	

	1st Year	2nd Year	3rd Year	Total incurred	Already repaid	Due to date
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Expenses & Disbursements

Statutory Advertising:

- Section 98	76 20			76 20		76 20
- Appointment (CVL/MVL/BKY/etc)	152 40			152 40		152 40
- Claim	76 20			76 20		76 20
- Intended dividend				0 00		0 00
- Final meetings (CVL/MVL/BKY/etc)	92 00			92 00		92 00
- Others (Details)				0 00		0 00

Postage	325 00			325 00		325 00
Photocopies				0 00		0 00
Telephone & Fax				0 00		0 00
Stationery/printing				0 00		0 00
Couriers				0 00		0 00

Storage	216 00			216 00		216 00
Meeting Room	60 00			60 00		60 00

INSOLV Software Licence	110 00			110 00		110 00
Swearing fees				0 00		0 00

Companies House Search	25 00			25 00		25 00
Bond	30 00			30 00		30 00

Agent's fees				0 00		0 00
Legal & professional fees				0 00		0 00

	1,162 80	0.00	0.00	1,162 80	0 00	1,162 80
SUBTOTAL						
VAT	232 56	0 00	0 00	232 56	0 00	232 56
TOTAL	1,395 36	0 00	0 00	1,395.36	0 00	1,395 36

THE INSOLVENCY ACT 1986

NOTICE OF FINAL MEETINGS

Company Name	AA Pizzas Limited
Company Number.	07044076
Former Company Name(s)	None
Trading Name:	Perfect Pizza
Registered Office:	105/111 Euston Street, London, NW1 2EW
Principal Trading Address:	614 Walsall Road, Great Barr, B42 1EZ

Appointed: 22nd March 2012


NOTICE IS HEREBY GIVEN that a final meeting of the members of AA Pizzas Limited will be held at 02 00 pm on 14 June 2013, to be followed at 02 30 pm on the same day by a meeting of the creditors of the company. The meetings will be held at the offices of Saud & Co Limited, Basement, 105-111 Euston Street, London, NW1 2EW

The meetings are called pursuant to Section 106 of the Insolvency Act 1986 for the purpose of receiving an account from the Liquidator explaining the manner in which the winding-up of the company has been conducted and to receive any explanation that they may consider necessary. A member or creditor entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member or creditor.

The following resolutions will be considered at the creditors' meeting

- 1 That the Liquidator's final report and receipts and payments account be approved
- 2 That the Liquidator receives his release

Proxies to be used at the meetings must be returned to the offices of Saud and CO, 105/111 Euston Street, London, NW1 2EW no later than 12 noon on the working day immediately before the meetings

Signed 

Salman Saud
Saud and CO
Liquidator

Date 19 April 2013

Names of Insolvency Practitioners calling the meetings:

Salman Saud

Address of Insolvency Practitioners:
IP Numbers
Contact Name
Email Address
Telephone Number

105/111 Euston Street, London, NW1 2EW
10263
Michel Dupont
info@saudandco.co.uk
0208 304 0609

Rule 8.1

Insolvency Act 1986

Form 8 5

Proxy (Creditors' Voluntary Winding Up)

AA Pizzas Limited

Name of Creditor/Member *

Address

Name of Proxy Holder

Please insert name of person (who must be 18 or over) or the chairman of the meeting (see note below) if you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well

1

2

3

Please delete words in brackets if the proxy holder is only to vote as directed i.e. he has no discretion

I appoint the above person to be my/the creditor's/member's * proxy holder at the meeting of creditors/members to be held on 14 June 2013, or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion)

Any other resolutions which the proxy-holder is to propose or vote in favour of or against should be set out in numbered paragraphs in the space provided below paragraph 1. If more room is required please use the other side of this form

1 That the Liquidator's final report and receipts and payments account be approved

For/Against*

2 That the Liquidator's receive their release

For/Against*

* Please delete as applicable

This form must be signed

Signature

Date

Name in CAPITAL LETTERS -

Only to be completed if the creditor/member has not signed in person

Position with creditor/member or relationship to creditor/member or other authority for signature

Please note that if you nominate the chairman of the meeting to be your proxy-holder he will be the current liquidator.

Supplement to SIP 9 – A Creditors' Guide to Fees Charged by Liquidators England and Wales

Scale set out in the Insolvency Rules 1986 – Schedule 6

As regard the determination of the remuneration of liquidators the realisation and distribution scales are as set out in the table below -

• **The realisation Scale:-**

(i)	On the first £5,000 or fraction thereof	20%
(ii)	On the next £5,000 or fraction thereof	15%
(iii)	On the next £90,000 or fraction thereof	10%
(iv)	On all further sums realised	5%

• **The distribution Scale:-**

(i)	On the first £5,000 or fraction thereof	10%
(ii)	On the next £5,000 or fraction thereof	7 50%
(iii)	On the next £90,000 or fraction thereof	5%
(iv)	On all further sums realised	2 50%

Details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case -

A	– Partner/Principals	£160/275
B	– Managers	£160/205
C	– Other Senior Professionals	£85/125
D	– Assistants & Support Staff	£25/50

It is the firm's standard policy to charge all Assistants and support staff costs. Please also note that our chargeable rate has not changed from 2007. The smallest chargeable unit is 5 minutes.

Disbursements and other expenses

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements, but there is provision for the creditors to challenge them, as described below. Professional guidance issued to insolvency practitioners requires that, where the liquidator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the liquidator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

It is our policy to charge and recover all actual disbursements incurred (e.g. Court fees, travel, search fees, advertising, Counsel's fees, agent's fees, bonding etc.) and full records of these disbursements are retained and are available together with an explanation to all creditors.

It is also the policy in all insolvency proceedings to charge the following:

- i – for convening initial meetings of creditors in any formal insolvency
for all stationery, printing, postage, photocopying, storage, fax and telephone charges

(a)	for a number of creditors not exceeding 25	£175 00
(b)	for every additional 10 creditors or part thereof	£50 00
- ii – for convening subsequent meetings of creditors or subsequent circular in any formal insolvency proceedings

(a)	for a number of creditors not exceeding 25	£150 00
(b)	for every additional 10 creditors or part thereof	£30 00

In addition to the hourly charging rates there are unit rates applied of £1 75 per letter in and £2 75 per letter out. These apply regardless of the length and content of the correspondence itself. When we receive a fax, then this is charged as a letter in, even if there is subsequently a hard copy sent through the post for which further unit is charged. The time spent dealing with correspondence itself is charged in addition at the hourly rate.

All above prices are excluding VAT.

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.

STATEMENT OF CLAIM FORM

In the matter of AA PIZZAS LTD

And in the matter of The Insolvency Act 1986

Date of Winding Up Resolutions – 22 March 2012

1	Name of Creditor	
2	Address of Creditor	Ref
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If total amount above includes outstanding uncapitalised interest please state amount	£
6	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category Amount(s) claimed as preferential £
7	Particulars of how and when debt incurred	
8	Particulars of any security held, the value of the security, and the date it was given	£
9	Signature of creditor or person authorised to act on his behalf	
10	Name in BLOCK LETTERS	
11	Position with or relation to creditor	

NOTES:

Please provide appropriate documentation in support of your claim and particulars of any security held.
Please return this form as soon as possible when completed and signed to:

Saud & Co.
Basement,
105-111 Euston Street,
London NW1 2EW

For office use only

Claim acknowledge

Claim admitted

Claim rejected

£.....

£.....

Date.....

Date.. ..

Date.....

Initials.....

Initials.....

Initials.....

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

4 Fixing the liquidator's remuneration

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

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

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

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

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

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

- 4.3 If the remuneration is not fixed as above, it will be fixed in one of the following ways. In a CVL, it will be fixed by the Court on application by the liquidator, but the liquidator may not make such an application unless he has first tried to get his remuneration fixed by the committee or creditors as described above, and in any case not later than 18 months after his appointment. In a compulsory liquidation, it will be in accordance with a scale set out in the Rules.
- 4.4 Where the liquidation follows directly on from an administration in which the liquidator had acted as administrator, the basis of remuneration fixed in the administration continues to apply in the liquidation (subject to paragraph 8 below).

5 Review of remuneration

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

6 What information should be provided by the liquidator?

6.1 When seeking remuneration approval

- 6.1.1 When seeking agreement to his fees the liquidator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on

- the nature of the approval being sought,
- the stage during the administration of the case at which it is being sought, and
- the size and complexity of the case.

- 6.1.2 Where, at any creditors' or committee meeting, the liquidator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

- 6.1.3 Where the liquidator seeks agreement to his fees during the course of the liquidation, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the liquidator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the liquidator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the liquidator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the liquidator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent.

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

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

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

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the liquidator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain

- Any significant aspects of the case, particularly those that affect the amount of time spent.
- The reasons for subsequent changes in strategy.
- Any comments on any figures in the summary of time spent accompanying the request the liquidator wishes to make.
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement.
- Any existing agreement about fees.
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees.

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

- 6.1.4 Where the fee is charged on a percentage basis the liquidator should provide details of any work which has been or is intended to be subcontracted out which would normally be undertaken directly by a liquidator or his staff.

6.2 After remuneration approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the liquidator should notify the creditors of the details of the resolution in his next report or circular to them. When subsequently reporting to creditors on the progress of the liquidation, or submitting his final report, he should specify the amount of remuneration he has drawn in accordance with the resolution (see further paragraph 7.1 below). Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 6.1.3. Where the fee is charged on a percentage basis the liquidator should provide the details set out in paragraph 6.1.4 above regarding work which has been sub-contracted out.

6.3 Disbursements and other expenses

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements, but there is provision for the creditors to challenge them, as described below. Professional guidance issued to insolvency practitioners requires that, where the liquidator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the liquidator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

It is our policy to charge and recover all actual disbursements incurred (e.g. Court fees, travel, search fees, advertising, Counsel's fees, agent's fees, bonding, storage, etc.) and full records of these disbursements are retained and are available together with an explanation to all creditors.

It is also the policy in all insolvency proceedings to charge the following:

- | | | |
|----|---|---------|
| i | - for convening initial meetings of creditors in any formal insolvency, for all stationery, printing, postage, photocopying, storage, fax and telephone charges | |
| | (a) for a number of creditors not exceeding 25 | £175 00 |
| | (b) for every additional 10 creditors or part thereof | £50 00 |
| ii | - for convening subsequent meetings of creditors or subsequent circular in any formal insolvency proceedings | |
| | (a) for a number of creditors not exceeding 25 | £150 00 |
| | (b) for every additional 10 creditors or part thereof | £30 00 |

In addition to the hourly charging rates there are unit rates applied of £1.75 per letter in and £2.75 per letter out. These apply regardless of the length and content of the correspondence itself. When we receive a fax, then this is charged as a letter in, even if there is subsequently a hard copy sent through the post for which further unit is charged. The time spent dealing with correspondence itself is charged in addition at the hourly rate. All above prices are excluding VAT.

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

11 Other matters relating to remuneration

- 11.1 Where the liquidator realises assets on behalf of a secured creditor he is entitled to be remunerated out of the proceeds of sale in accordance with a scale set out in the Rules. Usually, however, the liquidator will agree the basis of his fee for dealing with charged assets with the secured creditor concerned.
- 11.2 Where two (or more) joint liquidators are appointed it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute between them may be referred to the court, the committee or a meeting of creditors
- 11.3 If the appointed liquidator is a solicitor and employs his own firm to act in the insolvency, profit costs may not be paid unless authorised by the committee, the creditors or the court.
- 11.4 If a new liquidator is appointed in place of another, any determination, resolution or Court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new liquidator until a further determination, resolution or Court order is made
- 11.5 Where the basis of the remuneration is a set amount, and the liquidator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing liquidator. The application must be made to the same body as approved the remuneration. Where the outgoing liquidator and the incoming liquidator are from the same firm, they will usually agree the apportionment between them
- 11.6 There may also be occasions when creditors will agree to make funds available themselves to pay for the liquidator to carry out tasks which cannot be paid for out of the assets, either because they are deficient or because it is uncertain whether the work undertaken will result in any benefit to creditors. Arrangements of this kind are sometimes made to fund litigation or investigations into the affairs of the insolvent company

Any arrangements of this nature will be a matter for agreement between the liquidator and the creditors concerned and will not be subject to the statutory rules relating to remuneration

12 Effective date

This guide applies where a company –

- goes into liquidation on a winding-up resolution passed on or after 06th April 2010,
- goes into voluntary liquidation immediately following an administration on or after 06th April 2010, except where the preceding administration began before that date,
- goes into compulsory liquidation as the result of a petition presented on or after 06th April 2010, except where the liquidation was preceded by
 - an administration which began before that date,
 - a voluntary liquidation in which the winding-up resolution was passed before that date

13 Scale set out in the Insolvency Rules 1986 – Schedule 6

As regard the determination of the remuneration of trustee and liquidators the realisation and distribution scales are as set out in the table below –

• The realisation Scale:-

(i)	On the first £5,000 or fraction thereof	20%
(ii)	On the next £5,000 or fraction thereof	15%
(iii)	On the next £90,000 or fraction thereof	10%
(iv)	On all further sums realised	5%

• The distribution Scale:-

(i)	On the first £5,000 or fraction thereof	10%
(ii)	On the next £5,000 or fraction thereof	7 50%
(iii)	On the next £90,000 or fraction thereof	5%
(iv)	On all further sums realised	2 50%

14 Details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case:-

A	– Partner/Principals	£160/275
B	– Managers	£160/205
C	– Other Senior Professionals	£85/125
D	– Assistants & Support Staff	£25/50