

LIQ03

Notice of progress report in voluntary winding up



Companies House

WEDNESDAY



A27 *A851522G* #168
08/05/2019
COMPANIES HOUSE

1 Company details

Company number 0 9 6 6 9 5 6 9

Company name in full Black Label Clothing Limited
(In Creditors' Voluntary Liquidation)

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Ruth

Surname Duncan

3 Liquidator's address

Building name/number 2nd Floor, Maidstone House

Street King Street

Post town Maidstone

County/Region Kent

Postcode M E 1 5 6 A W

Country United Kingdom

4 Liquidator's name

Full forename(s)

Surname

• Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

• Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6

Period of progress report

From date	0	8	0	3	2	0	1	8
To date	0	7	0	3	2	0	1	9

7

Progress report

☐ The progress report is attached

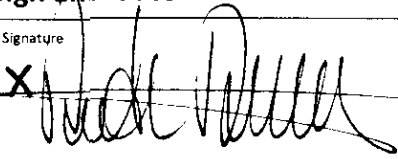
8

Sign and date

Liquidator's signature

Signature

X



X

Signature date

03

05

2019

**BLACK LABEL CLOTHING LIMITED
(IN CREDITORS' VOLUNTARY LIQUIDATION)**

SECOND ANNUAL PROGRESS REPORT

**TO THE CREDITORS, MEMBER AND
REGISTRAR OF COMPANIES**

**FOR THE PERIOD
FROM 8 MARCH 2018 TO 7 MARCH 2019
("the reporting period")**

**STRICTLY PRIVATE AND CONFIDENTIAL
NOT FOR PUBLICATION**

Maxwell Davies

**BLACK LABEL CLOTHING LIMITED
(IN CREDITORS' VOLUNTARY LIQUIDATION)**

Maxwell Davies

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**BLACK LABEL CLOTHING LIMITED
(IN CREDITORS' VOLUNTARY LIQUIDATION)**

Maxwell Davies

1. Introduction

- 1.1 As creditors may recall, Black Label Clothing Limited ("the Company") was placed into a Creditors' Voluntary Liquidation on 8 March 2017 and Filippa Connor and I were appointed Joint Liquidators on the same day. This report is addressed to the member and creditors of the Company on the second anniversary of the Liquidation.
- 1.2 I also take this opportunity to seek a further resolution from the creditors on updated fee and expenses estimates, details of which have been mentioned in the following sections of this report.
- 1.3 This report should be read in conjunction with my previous reports and correspondence to the creditors.
- 1.4 As reported earlier, as a result of Ms Connor deciding not to take formal insolvency appointments and to resign from RNF Business Advisory Limited (which has now changed its name to Maxwell Davies Limited), an application was made to the High Court to effect her resignation and transfer of all her jointly appointed cases to me as sole office holder. This took effect with the High Court making the order on 22 November 2017.

2. Assets & Realisations

- 2.1 As at the date of the Liquidation, the assets of the Company were identified as follows:

	Book Value £	Estimated to Realise £
Assets Subject to Fixed Charge:		
Book Debts	236,267.00	177,200.00
Rent Deposit	639.00	639.00
Penguin License	1.00	1.00
Assets Subject to Floating Charge:		
Stock	Uncertain	Uncertain
Cash at Bank	6,000.00	6,000.00
Office Equipment	206.00	NIL
Assets Not Specifically Charged:		
None	-	-
	243,113.00	183,840.00

- 2.2 The assets realised prior to the current reporting period were commented in my last report. Below are the details of asset realisations for the reporting period.

Book Debts

- 2.3 During the reporting period £15,787.20 was realised from one of the remaining debtors. My agents Credit Limits International Ltd have attempted to realise the remaining book debts. However, due to lack of supporting documents from available Company records, no further recovery is anticipated in this category and the matter is now concluded.

3. Investigation

- 3.1 The Liquidator is required by law to investigate the affairs of the Company and to submit a relevant return to the Secretary of State. As previously reported, an appropriate report was duly submitted, and creditors will understand that I am not obliged to divulge the contents of the same.
- 3.2 As previously advised, I reviewed the available records and bank statements, which identified various connected party transactions. Creditors should note that there were two loan repayments totalling £200,000 to connected parties, including the director, shortly before the Liquidation. These repayments were duly investigated and I was provided with copies of loan agreements in support of the payments. Accordingly, these two loan repayments were not pursued further.
- 3.3 However, there appear to be significant repayments to a connected creditor, UK Parking Control ("UKPC") according to the Company's bank statements. Whilst I am yet to finalise the actual claim, significant investigation has been undertaken in connection with this matter. Creditors are advised that the net payments to UKPC total circa £146,600 during the three months prior to the

date of Liquidation. These repayments are a potential payment in preference pursuant to section 239 of the Insolvency Act 1986. This claim is currently being finalised with the view to placing with litigation funders to recover a return for creditors. Creditors will be notified of the outcome on this matter in due course.

4. Receipts & Payments Account

4.1 A summary of the receipts & payments for the reporting period, can be found at Appendix 2 of this report, which I trust you will find self-explanatory.

5. Prescribed Part

5.1 Section 176A of the Insolvency Act 1986 provides that, where the Company has created a floating charge after 15 September 2003, the liquidator must make a *prescribed part* of the company's *net property* available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims. *Net property* means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realisation).

5.2 The *prescribed part* is calculated by reference to a sliding scale as follows:

- 50% of the first £10,000 of *net property*;
- 20% of *net property* thereafter;
- up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the *prescribed part* if:

- the *net property* is less than £10,000 and he thinks that the cost of distributing the *prescribed part* would be disproportionate to the benefit; (Section 176A(3)) or;
- he applies to the court for an order on the grounds that the cost of distributing the *prescribed part* would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

5.3 The legislation requires that my report to creditors shall include, to the best of my knowledge and belief, an estimate of the value of the *prescribed part* and an estimate of the value of the company's *net property*.

5.4 As creditors are aware, there were two fixed & floating charges registered against the Company. The charge of Lloyds Bank Commercial Finance Ltd (LBCF) was paid in full from the book debt realisations and hence, the provisions of section 176A do not apply.

5.5 Lloyds Banks floating charge remains outstanding and there are assets available which fall under its floating charge. The Prescribed Part is estimated to be £30,913.62 with an anticipated amount available for payment to the floating charge creditor, after considering the prescribed part, of £23,000.

6. Creditors' Claims

6.1 The Director listed on the Statement of Affairs (SoA) a number of claims and these are disseminated as follows:

Secured Creditors

6.2 The Company has below secured creditors.

Name	Charge Details
Lloyds Bank PLC	Fixed & floating charge registered on 22 September 2016
Lloyds Bank Commercial Finance Limited	Fixed and floating charge registered on 4 October 2016

6.3 As mentioned in the above sections of this report, LBCF has been paid in full, from the book debts proceeds prior to the reporting period.

- 6.4 I have now agreed Lloyds bank floating charge and their secured claim of £68,074.00.

Preferential Creditors

- 6.5 Employee claims were not included for the purpose of preparation of SoA by the Director. However, as advised previously, there was one employee who claimed entitlements from the Redundancy Payments Office ("RPO"). Accordingly, the preferential claim position is set out below.

Preferential Claim paid and submitted by RPO	£553.86
Balance of Preferential Claim not paid by RPO	<u>£760.11</u>
Total Preferential Claim	<u>£1,313.97</u>

- 6.6 As reported previously, both the preferential claim of RPO and the balancing preferential element to employee, have been paid in full.

Unsecured Creditors

- 6.7 The Director's SoA listed 27 unsecured creditors with claims totalling £893,872.69.

- 6.8 Following my appointment, I advertised in the London Gazette for the claims to be submitted to me by 8 June 2017. To date, 12 unsecured claims totalling £667,107.24 have been received in the Liquidation. The details have been summarised below:

Unsecured claims (excluding employees)	£664,052.45
Employees' unsecured claim paid and submitted by RPO	£1,362.14
Balancing Employees' unsecured claim not paid by RPO	<u>£1,692.65</u>
	<u>£667,107.24</u>

- 6.9 The creditors who have not yet submitted their claim details are requested to do so by completing the Proof of Debt form which can be found at Appendix 7 of this report and submit it together with the supporting documentation substantiating their claims at the earliest.

Crown Creditors

- 6.10 The SoA listed HM Revenue & Customs ("HMRC") as being owed £24,858.33 and £3,105.04 for outstanding VAT and PAYE/NIC respectively.

- 6.11 As advised earlier, claims amounting to £173.00 and £3,103.19 have been received in the Liquidation from HMRC for outstanding VAT and PAYE/NIC respectively.

- 6.12 As reported previously, the RPO has submitted their unsecured claim of £1,362.14 in the Liquidation.

7. Dividend

- 7.1 At the onset of the Liquidation, it was anticipated that after considering the costs of the Liquidation, the unsecured creditors may receive a small dividend.

- 7.2 As can be seen from the Liquidators receipts and payment account at appendix 2 there are sufficient funds to allow for a prescribed part payment from asset realisations subject to a floating charge.

- 7.3 There will also be a dividend to Lloyds Bank pursuant to its floating charge as detailed in section 5.5.

8. Liquidators' Actions

- 8.1 A description of the routine work undertaken during the reporting period, is summarised below:

i. Administration and Planning

- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details on VisionBlue
- Case bordereau

- Case planning and administration
- Maintaining and managing the Liquidator's cashbook and bank account
- Ensuring statutory lodgements and tax lodgement obligations are met
- Preparing and despatching reports to creditors

ii. Investigations

- Conducting investigations into the company's affairs
- Review of antecedent transactions and various correspondence
- Pursuing claim for payment in preference to connected parties who are also creditors.

iii. Realisation of Assets

- Investigating and calculating the Liquidator's interest in all assets as listed in the Directors' SoA
- Corresponding with all interested parties concerning the assets
- Negotiating with interested parties as necessary
- Protracted correspondence with the factoring company regarding the release of book debt receipts.

iv. Creditors

- Dealing with creditors' correspondence and telephone conversations
- Maintaining creditors' information on Vision Blue
- Reviewing and lodging proofs of debt forms received from creditors

v. Case Specific Matters

- Corresponding with director/ former company officials

- 8.2 In addition to the above, the significant time has been spent in dealing with the secured charge validation which included correspondence and discussion with solicitors and seeking counsel's opinion on the same. It should also be noted that a significant amount of time has been spent in corresponding with former company officials for records and conducting investigations into antecedent transactions.

9. SoA Fee & Liquidators' Remuneration

Statement of Affairs Fee

- 9.1 It was resolved in the creditors' meeting held on 8 March 2017 that the SoA fee reported to the meeting of £5,000.00 plus VAT (as outlined in the Guide to Liquidator's Fees) and disbursements plus VAT be authorised as a payment from Company funds.
- 9.2 As reported earlier, the SOA fee of £5,000.00 plus VAT was paid from the cash at bank which had been paid into my firm's client account prior to Liquidation.

Liquidators' Remuneration

- 9.3 It is a requirement of the legislation that the basis of the Liquidator's remuneration should be fixed either as a percentage of the value of the assets which have been realised/ distributed or by reference to the time properly given by the Liquidator or his/her staff in attending to matters arising in the winding up, or a fixed amount, or a combination of these basis. In addition to the basis of how the remuneration is fixed, consideration should be given to the complexity and size of the Liquidation, the Liquidator's effectiveness, any exceptional responsibility falling on the Liquidator, and the value and nature of the assets comprised in the estate.
- 9.4 It was resolved in the meeting of creditors held on 8 March 2017 that the Liquidator be authorised to draw their remuneration on a time cost basis to be drawn as and when realisations allow as set out in previously provided summary of fee estimate; and that the Liquidator's disbursements be taken as stated in the Guide to Liquidator's Fees (SIP9) which includes a statement as to the Liquidator's disbursements policies. For the avoidance of doubt, the original estimate of time costs limits the total remuneration to £21,095.00.

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- 9.5 As creditors would be aware, on 17 November 2017, I sought an extension of my fee estimate together with my progress report describing the issues and additional work arising in the Liquidation which was not earlier envisaged. However, the creditors voted against my revised fee estimate and hence, the original fee estimate of £21,095.00 remains in place.
- 9.6 I report at Appendix 3, my time costs incurred during the current reporting period, which amount to £38,509.10 for 127.00 hours, which have been charged at an average charge out rate of £303.22 per hour.
- 9.7 I also report at Appendix 3, my total time costs since the date of appointment which amount to £101,604.50 for 359.80 hours, which have been charged at an average charge out rate of £282.39 per hour.
- 9.8 As can be seen from the Receipts & Payments account, £21,000.00 was drawn against remuneration prior to the reporting period. No remuneration has been drawn during the reporting period.
- 9.9 As the creditors will note, my initial estimate of remuneration amounted £21,095.00. However, as can be seen my actual time costs in the Liquidation has been higher than estimated due but not limited to the following reasons.
- LBCF had not originally co-operated with me regarding my requests for information, payment of the surplus balance and the assignment of remaining book debts which resulted in formal complaints being made. A considerable amount of time had to be spent in corresponding with them and making the complaint. Further, a considerable amount of time has been spent in reviewing the documentation provided by LBCF regarding the book debts in order to facilitate the collection of the remainder of the book.
 - A significant amount of time has been and continues to be spent towards a very detailed analysis of the Company's dealings with the connected parties. The work undertaken so far includes numerous attempts and correspondence with former officers and director in obtaining books and records, review and analysis of company records, bank statements, creditors' records, summarising the findings and timelines, seeking solicitor's advice, correspondence with the parties in question, verification of response etc. Whilst the liquidator has a duty to review to review records for any antecedent transactions it is only when such transactions are found that further work is identified which cannot be envisaged in the initial fee estimate.
 - Further, I also had to incur additional time costs in dealing with the validity of the bank's charge and the quantum of its claim, which was originally valued at Nil. Documentation concerning the charge was missing and solicitors were instructed.
- 9.10 In view of the above, I intend to seek a further resolution from the creditors and enclose updated fee and expenses estimates at Appendices 4 and 4A of this report. A Decision by Correspondence has been sought, the notice of which can be found at Appendix 5 of this report.
- 9.11 I appreciate that I will have a significant amount of time costs to write off. However, I am proposing to currently cap my fees at £50,000 despite requesting that the creditors agree the full fee estimate. This is because if the antecedent transactions do progress then, whilst no further fee estimate will be sought, the current suggested cap on my remuneration will be uplifted with the further agreement of the creditors.
- 9.12 Creditors should note that if no fee extension is agreed or a further rejection is received, I will have no other option but to apply to the court to have my additional remuneration agreed, which will result in further costs being incurred.
- 9.13 A voting form can be found at Appendix 6 of this report that sets out the resolutions on which, the decisions are sought. I request the creditors to submit the duly completed Vote by
-

**BLACK LABEL CLOTHING LIMITED
(IN CREDITORS' VOLUNTARY LIQUIDATION)**

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Correspondence form in due course. For the avoidance of any doubt, the new resolutions take into account the updated estimates of costs given at Appendices 4 and 4A.

- 9.14 I provide at Appendix 8, an updated relevant part of Statement of Insolvency Practice 9, which refers to Liquidator's remuneration and which also provides a statement of this firm's disbursement policy.
- 9.15 In addition to staff directly employed by Maxwell Davies Limited, the office holder may instruct the following to carry out work on the case:

Entity ("Sub-contractors")	Work Undertaken
Insolutions Business Advisory PVT Limited	See below*
Consultant	Investigation work

* Insolutions Business Advisory PVT Limited is an associated/ connected company operating in India in which the office holder holds a financial interest. The company has been set up to provide administrative support to the office holder. Staff work on all aspects of case administration under the supervision of the office holder.

- 9.16 The Sub-contractors are engaged as a more cost-effective measure, to enable the work to be undertaken by people with the most appropriate level of expertise, and it avoids the considerable costs that would result if Maxwell Davies Limited were otherwise to directly employ specialists and sufficient staff resources to carry out the work. Junior grades of staff are used where appropriately compatible with the efficient conduct of the matter in order to ensure that costs are kept to a minimum.
- 9.17 All time spent by the Sub-contractors on the case under the office holder's instructions shall be charged at the rates listed below (subject to any future changes), which are also applicable to the office holder and staff directly employed by Maxwell Davies Limited. The charge-out rates have been set taking into consideration the savings generally achieved by using the Sub-contractors.
- 9.18 Where it is proposed or agreed that the office holder's remuneration shall be fixed on the basis of time properly spent by the office holder and her staff, this shall include all time properly spent by the Sub-contractors. Thus, for the purposes of the fee estimate, the estimate of time that will be spent and the description of work to be undertaken reflect the combined position of the office holder, staff employed by Maxwell Davies Limited, and the Sub-contractors. Any reports issued by the office holder shall also reflect the combined position of the time spent and work carried out by these parties as a whole.
- 9.19 The following table provides the current charge-out rates. Rates may be varied from time to time, at the sole discretion of Maxwell Davies Limited, and such changes will be notified in retrospect with each report to creditors. Where the office holder's remuneration has been approved on a time cost basis, those fees will be calculated on the basis of the charge-out rates applicable at the time that the work was carried out.

Grade of staff	Current charge-out rate per hour, effective from 01.04.19 £	Charge-out rate per hour, effective from 01.07.16 to 31.03.19 £
Director/appointment taker	472.00	450.00
Senior Manager	394.00	375.00
Manager/ Supervisor	315.00	300.00
Senior Administrator	250.00	-
Administrator / Cashier	194.00	185.00
Junior Administrator	131.00	125.00

Time charging policy

Support staff include cashier, secretarial and administration support.
The minimum unit of time recorded is 6 minutes.

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- 9.20 Rates may vary between individuals, reflecting experience and qualification. For certain more complex tasks, Maxwell Davies Limited may seek to apply a higher rate in respect of work undertaken, but subject to prior authorisation in accordance with the Act and the Rules.

10. Liquidators' Expenses

- 10.1 It is the policy of Maxwell Davies Limited to charge and recover all actual disbursements [Category 1 Disbursements] (subject to VAT, where applicable) incurred and full records of those disbursements are retained and are available together with an explanation to all Creditors at any time.

Case Management Fee	£185 per case
Storage	£0.26 per box per month

- 10.2 It is also our policy in all insolvencies to charge the following Category 2 Disbursements (subject to VAT, where applicable): -

Mileage	45p per mile (incl. of VAT)
Photocopying	10p per sheet

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

Professional Advisor	Nature of Work	Fee Arrangement
James Owen & Co. Limited	Valuation and Sale of Assets	Time costs
Thomson Snell & Passmore LLP	Charge validation and advice on connected party transactions	Fixed fee plus time cost
Credit Limits International Limited	Debt Collection	Percentage of realisation
Sobell Rhodes IT Solutions Limited	Sage Data Extraction	Fixed Fee

- 10.4 The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.
- 10.5 James Owen & Co Limited are specialist valuation agents and have been used in relation to the inspection, valuation and sale of assets of the Company. They were also instructed to examine Company's business sites to see the position of unencumbered stock. Since the task included first determining if such a stock existed and then selling it in the market, the cost of realisation in this matter has outweighed the actual realisation.
- 10.6 I have instructed the solicitors, Thomson Snell & Passmore LLP, to ascertain the validity of charges and to seek their advice on investigation of connected party transactions. They are a specialist law firm dealing in such matters and I felt that they are properly experienced to deal with these matters on my behalf. They will be utilised further in this case if required.
- 10.7 Credit Limits International Limited are instructed to recover the remainder of book debts in the Liquidation. They are a debt collection agency used to working with insolvent books and I feel that they are properly experienced to deal with these matters on my behalf.
- 10.8 There were electronic records of the Company which required extraction of information for investigation purposes. Since we do not have required software platform, Sobell Rhodes IT Solutions Limited are utilised for data extraction for agreed fixed fee.
- 10.9 The remainder of the costs and expenses of the Liquidation are listed on my Receipts & Payments account and are, I believe, self-explanatory.

11. Vote by Correspondence

11.1 As mentioned in the earlier sections of this report, a Decision by Correspondence has been sought from the creditors on the updated fee and expenses estimates. Resolutions which require your consideration can be found in the Vote by Correspondence form at Appendix 6, which must **be completed and returned to me by post, fax, or email by 23.59 hours on 21 May 2019, the decision date.** Further details in this regard can be found in the Notice of Decision Procedure at Appendix 5 of this report.

11.2 Please also return the completed Proof of Debt form which can be found at Appendix 7 of the report if you have not submitted one previously.

12. Further Information

12.1 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.

12.2 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.

13. Time to Complete Liquidation

13.1 As a result of the matters outlined above in this report, it is my estimation that the Liquidation estate will remain open for a further 6-12 months in order to conclude my investigations, Lloyds bank charge and my remuneration matters.

Please do not hesitate to contact me to discuss the above report if you have any queries.

Signed

**Ruth E Duncan
Liquidator**

Dated: 3 May 2019

**BLACK LABEL CLOTHING LIMITED
(IN CREDITORS' VOLUNTARY LIQUIDATION)**

Maxwell Davies

APPENDIX 1

STATUTORY INFORMATION

Company Name:	Black Label Clothing Limited
Registered Number:	09669569
Registered Office:	Mynott House, 14 Bowling Green Lane, London, EC1R 0BD
Former Registered Office:	The Apex, 2 Sheriffs Orchard, Coventry, West Midlands, CV1 3PP
Trading Name(s):	None
Trading Address:	Suite 102, Grangewood House, Oakwood Hill Industrial Estate, Loughton, Essex, IG10 3TZ
Principle Trading Activity:	Wholesale of clothing
Name of Liquidator:	Ruth Ellen Duncan
Address of Liquidator:	2 nd Floor, Maidstone House, King Street, Maidstone, Kent, ME15 6AW
Date of Appointment of Liquidator:	8 March 2017
Actions of Joint Liquidators:	Any act required or authorised under any enactment to be done by a Liquidator may be done by either or both of the Liquidators acting jointly or alone.
Change in Details of Liquidator:	By order of the High Court on 22 November 2017 Filippa Connor's resignation as Joint Liquidator was effected

BLACK LABEL CLOTHING LIMITED
(IN CREDITORS' VOLUNTARY LIQUIDATION)

Maxwell Davies

APPENDIX 2

LIQUIDATOR'S RECEIPTS & PAYMENTS ACCOUNT
FOR THE PERIOD FROM 8 MARCH 2018 TO 7 MARCH 2019

	Notes	Estimated to Realise per SOA	Receipts & Payments 08.03.17 to 07.03.18	Receipts & Payments 08.03.18 to 07.03.19	Estimated Future Receipts & Payments	Total
		£	£	£	£	£
RECEIPTS						
Balance b/f				80,994.32	88,965.78	
Penguin' licence		1.00	-	-	-	-
Book Debts		177,200.00	107,807.33	15,787.20	-	123,594.53
Rent Deposit		639.00	223.56	-	-	223.56
Stock		Uncertain	750.00	-	-	750.00
Cash at Bank		6,000.00	6,000.00	-	-	6,000.00
Office equipment		NIL	-	-	-	-
Bank Interest Gross		-	44.56	56.16	-	100.72
VAT Payable		-	150.00	-	-	150.00
Antecedent Transactions		-	-	-	Uncertain	-
		<u>183,840.00</u>	<u>114,975.45</u>	<u>96,837.68</u>	<u>88,965.78</u>	<u>130,818.81</u>
PAYMENTS						
Statement of Affairs Fee			5,000.00	-	-	5,000.00
Statutory Advertising	1		338.40	-	-	338.40
Online Web Hosting	1		10.00	-	40.00	50.00
Specific Bond	1		396.00	-	-	396.00
Case Management Fee	1		185.00	-	-	185.00
Storage	1		-	-	25.00	25.00
Postage	1		24.64	124.08	100.00	248.72
Photocopying	2		-	7.20	10.00	17.20
Agents' Fee - Sale of Stock			2,500.00	-	-	2,500.00
Agent's Fee - SAGE Data Extraction			-	200.00	-	200.00
Agent's Fees - Debt Recovery			-	1,578.72	-	1,578.72
Legal Fees			-	2,250.00	-	2,250.00
Solicitor's Fees			2,382.00	2,392.50	Uncertain	4,774.50
Corporation Tax			-	8.91	11.23	20.14
Liquidators' Remuneration			21,000.00	-	29,000.00	50,000.00
Liquidators' Remuneration - 10% of Prescribed Part Distribution			-	-	3,091.36	3,091.36
VAT Receivable			831.13	1,310.49	5,837.25	7,978.87
Dividend to Preferential Creditors			1,313.96	-	-	1,313.96
Dividend to Secured Creditors - Estimated			-	-	23,000.00	23,000.00
Dividend to Unsecured Creditors - Prescribed Part (Net)			-	-	27,822.26	27,822.26
Dividend to Unsecured Creditors - Estimated Further Dividend			-	-	Uncertain	-
			<u>33,981.13</u>	<u>7,871.90</u>	<u>88,937.10</u>	<u>130,790.13</u>
Balance in hand			80,994.32	88,965.78	28.68	28.68
			<u>114,975.45</u>	<u>96,837.68</u>	<u>88,965.78</u>	<u>130,818.81</u>

Notes

(1) Category 1 disbursements are actual costs incurred in relation to the estate and do not include items such as overhead costs. Where possible, all disbursements are broken down and shown in their constituent parts i.e. statutory advertising.

(2) Category 2 disbursements are costs incurred in relation to the estate, which are paid to the Office Holder's firm or any other associate that the firm has an interest in. These costs may include such items as internal room hire. Where possible, all disbursements are broken down and shown in their constituent parts and marked accordingly

(3) The estimated future costs have been calculated on both current costs incurred to date and not yet paid and also on the basis that the case will remain open for a further 6-12 months.

**BLACK LABEL CLOTHING LIMITED
(IN CREDITORS' VOLUNTARY LIQUIDATION)**

Maxwell Davies

APPENDIX 3

**LIQUIDATOR'S TIME COSTS SUMMARY & SIP9 ANALYSIS
FOR THE PERIOD FROM 8 MARCH 2018 TO 7 MARCH 2019**

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	6.60	28.60	14.70	-	49.90	14,846.20	297.52
Investigations	-	47.60	7.70	-	55.30	17,076.90	308.80
Realisation of Assets	-	4.90	1.60	-	6.50	1,773.50	272.85
Creditors	-	14.10	1.00	-	15.10	4,752.50	314.74
Case Specific Matters	-	0.20	-	-	0.20	60.00	300.00
Total Fees Claimed £	2,970.00	30,914.10	4,625.00	-		38,509.10	
Total Hours	6.60	95.40	25.00	-	127.00		
Average Rate	450.00	324.05	185.00	-		303.22	

**LIQUIDATOR'S TIME COSTS SUMMARY & SIP9 ANALYSIS
FOR THE PERIOD FROM 8 MARCH 2017 TO 7 MARCH 2019**

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	24.10	85.60	42.20	3.00	154.90	43,794.70	282.73
Investigations	-	93.10	25.60	1.00	119.70	33,145.90	276.91
Realisation of Assets	-	26.20	3.10	-	29.30	8,441.00	288.09
Creditors	0.60	46.60	8.50	-	55.70	16,162.90	290.18
Case Specific Matters	-	0.20	-	-	0.20	60.00	300.00
Total Fees Claimed £	11,115.00	75,300.50	14,689.00	500.00		101,604.50	
Total Hours	24.70	251.70	79.40	4.00	359.80		
Average Rate	450.00	299.17	185.00	125.00		282.39	

COMPARISON OF ESTIMATES AND ACTUAL TIME COSTS

Classification Of work Function	Actual			Original Estimate			Updated Estimate		
	Total Hours	Time Cost £	Average Hourly Rate £	Total Hours	Time Cost £	Average Hourly Rate £	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	154.90	43,794.70	282.73	35.00	9,692.50	276.93	141.75	46,217.75	326.05
Investigations	119.70	33,145.90	276.91	5.75	1,800.00	313.04	110.25	37,349.50	338.77
Realisation of Assets	29.30	8,441.00	288.09	15.50	4,830.00	311.61	30.00	9,694.75	323.16
Creditors	55.70	16,162.90	290.18	16.50	4,772.50	289.24	56.50	17,086.50	302.42
Case Specific Matters	0.20	60.00	300.00	-	-	-	0.20	78.80	394.00
Total Fees Claimed £		101,604.50			21,095.00			110,427.30	
Total Hours	359.80			72.75			338.70		
Average Rate		282.39			289.97			326.03	

**BLACK LABEL CLOTHING LIMITED
(IN CREDITORS' VOLUNTARY LIQUIDATION)**

Maxwell Davies

APPENDIX 4

FEE ESTIMATE

FEES ESTIMATE SUMMARY

Black Label Clothing Limited (In Creditors' Voluntary Liquidation)

The office holder is seeking to be remunerated on a time cost basis. We use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform, recording time spent in 6 minute units. Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work. This document provides an estimate as to how much time the office holder and his staff will spend undertaking specific tasks within broad categories of work, and the time costs of undertaking such work, which will depend upon the grade, or grades, of staff undertaking the work and the number of hours spent undertaking the work by each grade of staff. The estimated time that will be spent undertaking the work in each category of work has been multiplied by the applicable charge out rate for each member of staff that it is anticipated will undertake work in that category to arrive at the estimated total time costs attributable to that category of work on the case. We have then divided that estimated total by the estimated number of hours to arrive at what is known as a blended hourly charge out rate for that category of work. The sum of all the estimates for the different categories of work is the total estimated time costs to undertake all the necessary work on the case. Again, we have then divided that estimated total by the estimated number of hours to arrive at a blended hourly charge out rate for the case as a whole.

The hourly charge out rates that will be used on this case are:

	Current charge-out rate per hour, effective from 01.04.19 £	Charge-out rate per hour, effective from 01.07.18 to 31.03.19 £
Director / appointment taker	472.00	450.00
Senior Manager	394.00	375.00
Manager / Supervisor	315.00	300.00
Senior Administrator	250.00	
Administrator / Cashier	194.00	185.00
Junior Administrator	131.00	125.00

ADMINISTRATION AND PLANNING (Note 2)

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work £	Blended charge out rate to undertake the work £
Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.	4.00	1,810.00	
Setting up physical/electronic case files	0.50	97.00	
Setting up the case on the practice's electronic case management system and entering data.	1.50	291.00	
Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.	4.50	1,315.00	
Obtaining a specific penalty bond.	0.50	196.75	
Convening and holding general meetings/decision procedures of creditors and members	5.00	1,690.00	
Dealing with all routine correspondence and emails relating to the case.	38.00	12,492.00	
Opening, maintaining and managing the office holder's estate bank account	1.00	254.50	
Creating, maintaining and managing the office holder's cashbook.	4.75	1,272.50	
Undertaking regular bank reconciliations of the bank account containing estate funds.	4.00	997.00	
Reviewing the adequacy of the specific penalty bond on a quarterly basis.	0.50	157.50	
Undertaking periodic reviews of the progress of the case.	9.00	3,307.00	
Overseeing and controlling the work done on the case by case administrators.	16.00	7,084.00	
Preparing, reviewing and issuing annual progress reports to creditors and members	31.00	9,258.00	
Filing returns at Companies House	1.00	254.50	
Preparing and filing VAT returns	2.50	606.00	
Preparing and filing Corporation Tax returns	2.50	606.00	
Preparing, reviewing and issuing final reports to creditors and members	12.00	3,490.00	
Final report to creditors and members	-	-	
Filing final returns at Companies House	3.50	1,039.00	
Total:	141.75	£46,217.75	£326.05

INVESTIGATIONS (Note 3)

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work £	Blended charge out rate to undertake the work £
Recovering the books and records for the case.	4.00	1,357.50	
Listing the books and records recovered.	1.25	442.50	
Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act	2.00	708.50	
Conducting an investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.	70.00	23,395.00	
Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors	33.00	11,446.00	
Total:	110.25	£37,349.50	£338.77

REALISATION OF ASSETS (Note 4)**Description of the tasks to be undertaken in this category of work**

	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work £	Blended charge out rate to undertake the work £
Arranging suitable insurance over assets.	0.25	78.75	
Regularly monitoring the suitability and appropriateness of the insurance cover in place.	-	-	
Corresponding with debtors and attempting to collect outstanding book debts.	19.50	5,937.00	
Liaising with the bank regarding the closure of the account.	1.00	254.50	
Instructing agents to value known assets.	0.50	236.00	
Liaising with agents to realise known assets.	4.75	1,693.00	
Instructing solicitors to assist in the realisation of assets.	2.00	787.00	
Liaising with the secured creditors over the realisation of the assets subject to a mortgagee or other charge, validating charge.	2.00	708.50	
Total:	30.00	£9,694.75	£323.16

TRADING (Note 5)**Description of the tasks to be undertaken in this category of work**

	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work £	Blended charge out rate to undertake the work £
	-	-	
Total:	0.00	£0.00	£0.00

CREDITORS (Note 6)**Description of the tasks to be undertaken in this category of work**

	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work £	Blended charge out rate to undertake the work £
Obtaining information from the case records about employee claims.	1.00	315.00	
Completing documentation for submission to the Redundancy Payments Office.	2.00	630.00	
Corresponding with employees regarding their claims.	1.00	315.00	
Liaising with the Redundancy Payments Office regarding employee claims.	0.50	157.50	
Dealing with creditor correspondence, emails and telephone conversations regarding their claims.	35.00	10,846.00	
Maintaining up to date creditor information on the case management system.	3.00	703.00	
Reviewing proofs of debt received from creditors	3.50	1,139.00	
Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.	5.00	1,212.00	
Dividend to Preferential creditors, Paying tax deducted from the dividends paid to employees.	5.50	1,769.00	
Total:	56.50	£17,086.50	£302.42

CASE SPECIFIC MATTERS (note 7)**Description of the tasks to be undertaken in this category of work**

	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work £	Blended charge out rate to undertake the work £
Dealing with directors	0.20	78.80	
Total:	0.20	£78.80	£394.00

GRAND TOTAL FOR ALL CATEGORIES OF WORK

338.70	£110,427.30	£328.03
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Explanatory Note: This estimate has been provided to creditors at an early stage in the administration of the case and before the office holder has full knowledge of the case. Whilst all possible steps have been taken to make this estimate as accurate as possible, it is based on the office holder's current knowledge of the case and their knowledge and experience of acting as office holder in respect of cases of a similar size and apparent complexity. As a result, the estimate does not take into account any currently unknown complexities or difficulties that may arise during the administration of the case. If the time costs incurred on the case by the office holder exceed the estimate, or is likely to exceed the estimate, the office holder will provide an explanation as to why that is the case in the next progress report sent to creditors. Since the office holder cannot draw remuneration in excess of this estimate without first obtaining approval to do so, then where the office holder considers it appropriate in the context of the case, they will seek a resolution to increase the fee estimate so that they will then be able to draw additional remuneration over and above this estimate.

Note 2: Administration and planning - This represents the work that is 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 and their managers. It does not give direct financial benefit to the creditors, 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.

Note 3: Investigations - The insolvency legislation gives the office holder powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure. The office holder is required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors and the time costs recorded represent the costs of undertaking such an initial investigation. If potential recoveries or matters for further investigation are identified then the office holder will need to incur additional time costs to investigate them in detail and to bring recovery actions where necessary, and further information will be provided to creditors and approval for an increase in fees will be made as necessary. Such recovery actions will be for the benefit of the creditors and the office holder will provide an estimate of that benefit if an increase in fees is necessary. The office holder is also required by legislation to report to the Department for Business, Innovation and Skills on the conduct of the directors and the work to enable them to comply with this statutory obligations is of no direct benefit to the creditors, although it may identify potential recovery actions.)

Note 4: Realisation of Assets - This is the work that needs to be undertaken to realise the known assets in the case. If this work is undertaken, the office holder anticipates that the assets will realise the estimated to realise amounts provided to creditors.

Note 5: Trading - No trading in the Liquidation.

Note 6: Creditors: Employees - The office holder needs to deal with the ex-employees in order to ensure that their claims are processed appropriately by the Redundancy Payments Office (RPO). That work will include dealing with queries received from both the ex-employees and the RPO to facilitate the processing of the claims. The office holder is required to undertake this work as part of his statutory functions. **Claims of creditors** - the office holder needs maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions. **Dividends** - the office holder has to undertake certain statutory formalities in order to enable him to pay a dividend to creditors. This include writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors.

**BLACK LABEL CLOTHING LIMITED
(IN CREDITORS' VOLUNTARY LIQUIDATION)**

Maxwell Davies

APPENDIX 4A

EXPENSES ESTIMATE

EXPENSES ESTIMATE SUMMARY
Black Label Clothing Limited - In Liquidation

Description	Category	Notes	£
Case management fee	1	1	185
Corporation tax		2	20
Online web hosting of statutory reports	1		50
Postage and photocopying	1, 2		300
Statutory advertising	1		338
Storage	1	3	25
Specific bond	1	4	396
Agents' / Valuers' Fees			4,500
Solicitors'/Legal Fees			15,000
Expected total			20,814

Notes

- 1 The case management fee represents the direct cost of utilising the computerised case management system.
- 2 Corporation tax is payable on interest earned within the liquidation account and therefore is dependent on the level of realisations.
- 3 Case books and records are stored at a cost of £0.26 per box per month.
- 4 The specific bond is insurance required by statute to protect the creditors in the event of default by the office holder.
- 5 Category 1 and 2 disbursements are defined elsewhere within these documents.
- 6 The figures in this estimate have been generated by reference to incurred costs and estimated future costs with reference to a sample of previous cases.

NOTICE OF DECISION PROCEDURE

NOTICE OF DECISION PROCEDURE

Company Name: Black Label Clothing Limited (In Liquidation) ("the Company")
Company Number: 09669569

This Notice is given by the Liquidator under Rule 15.8 of the Insolvency (England & Wales) Rules 2016 ("the Rules").

It is proposed that the following decisions be made:

1. THAT the Liquidator is authorised to draw her remuneration on a time cost basis to be drawn as and when realisations allow as set out in the provided summary of the fee estimate of £110,427.23, plus VAT, dated 3 May 2019; and
2. That the Liquidator's remuneration as agreed by Resolution 1 above be capped at £50,000, plus VAT, until further authorisation by the creditors.
3. That the Liquidator's remuneration for distributing the Prescribed Part be authorised at 10%, plus VAT.
4. THAT the Liquidator's disbursements be taken as stated in the Guide to Liquidators' fees (SIP9) which includes a statement as to the Liquidator's disbursement policies.

Also provided is a Voting Form on which, the creditors may signify their decisions on the above matters. All voting forms, together with a Proof of Debt if one has not already submitted, must be completed and returned to the Liquidator by post, fax or email to the contact details provided at the bottom.

Please note that, if you are sending votes by post, you must ensure that you have allowed sufficient time for the forms to be delivered to the address above by the Decision Date set out below. An email is treated as delivered at 9.00 am on the next business day after it was sent.

All Voting Forms and Proof of Debt must be delivered by the Decision Date i.e. by 23.59 hours on 21 May 2019.

If the Liquidator has not received a Proof of Debt by the time specified above (whether submitted previously or as a result of this Notice), that creditor's vote will be disregarded. Any creditor whose debt is treated as a small debt in accordance with Rule 14.31(1) of the Rules must still deliver a proof if the creditor wishes to vote. A creditor who has opted out from receiving notices may nevertheless vote if the creditor also provides a proof by the Decision Date.

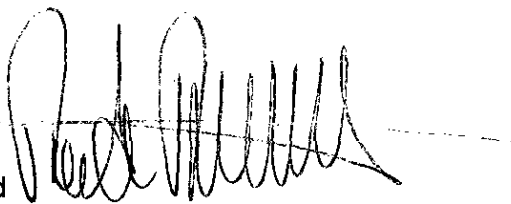
Creditors who meet one or more of the statutory thresholds listed below may, within 5 business days from the date of the delivery of this Notice, require a physical meeting to be held to consider the matter.

Statutory thresholds to request a meeting: 10% in value of the creditors
10% in number of the creditors
10 creditors

A creditor may appeal a decision by application to the court in accordance with Rule 15.35 of the Rules. Any such appeal must be made not later than 21 days after the Decision Date.

Name of Insolvency Practitioner: Ruth Ellen Duncan
Nature of Appointment: Liquidator
Date of Appointment: 8 March 2017
Address of Insolvency Practitioner: 2nd Floor, Maidstone House, King Street, Maidstone,
Kent, ME15 6AW
IP Number 9246
Contact Name Sandeep Borse
Email Address voting@maxwelldavies.com
Telephone Number 01622 764612
Fax 01622 764622

Signed

A handwritten signature in black ink, appearing to read 'Ruth E Duncan', with a horizontal line drawn through it.

Ruth E Duncan
Liquidator

Dated: 3 May 2019

**BLACK LABEL CLOTHING LIMITED
(IN CREDITORS' VOLUNTARY LIQUIDATION)**

Maxwell Davies

APPENDIX 6

VOTE BY CORRESPONDENCE FORM

VOTE BY CORRESPONDENCE FORM

BLACK LABEL CLOTHING LIMITED (IN CREDITORS' VOLUNTARY LIQUIDATION)

Name of Creditor: _____

Address: _____

Decisions:

1. THAT the Liquidator is authorised to draw her remuneration on a time cost basis to be drawn as and when realisations allow as set out in the provided summary of the fee estimate of £110,427.30, plus VAT, dated 3 May 2019. * **FOR / AGAINST**
2. That the Liquidator's remuneration as agreed by Resolution 1 above be capped at £50,000, plus VAT until further authorisation by the creditors. * **FOR / AGAINST**
3. That the Liquidator's remuneration for distributing the Prescribed Part be authorised at 10%, plus VAT. **FOR / AGAINST**
4. THAT the Liquidator's disbursements be taken as stated in the Guide to Liquidators' fees (SIP9) which includes a statement as to the Liquidator's disbursement policies. * **FOR / AGAINST**

*** Please delete as applicable to indicate your voting instructions**

Signed: _____ Dated: _____

Name in capitals: _____

Position with, or relationship to, creditor or other authority for signature: _____

Are you the sole member/shareholder of the creditor (where it is a LLP/company)? Yes / No

Please complete this form and return it, along with a completed Proof of Debt (if you have not submitted one previously), so that it is delivered by 23.59 hours on 21 May 2019, by:

Post: Maxwell Davies Limited, 2nd Floor Maidstone House, King Street, Maidstone, Kent, ME15 6AW

Fax: 01622 764622

Email: please scan in a signed copy of this form, attach it as a PDF and email to voting@maxwelldavies.com

**BLACK LABEL CLOTHING LIMITED
(IN CREDITORS' VOLUNTARY LIQUIDATION)**

Maxwell Davies

APPENDIX 7

PROOF OF DEBT FORM

Proof of Debt – General Form

BLACK LABEL CLOTHING LIMITED (IN CREDITORS' VOLUNTARY LIQUIDATION)
DATE OF APPOINTMENT – 8 MARCH 2017

1 Name of creditor
(If a company, provide the company registration number).

2 Correspondence address of creditor (including any email address)

3 Total amount of claim (£)
(include any Value Added Tax)

4 If amount in 3 above includes (£)
outstanding uncapitalised interest, state amount.

5 Details of how and when the debt was incurred.
(If you need more space, attach a continuation sheet to this form)

6 Details of any security held, the value of the security and the date it was given.

7 Details of any reservation of title claimed in respect of goods supplied to which the debt relates.

A CREDITORS' GUIDE TO LIQUIDATOR'S 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 (also referred to in this guide as 'remuneration'). This guide is intended to help creditors be aware of their rights to approve and monitor fees, explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the liquidator and challenge those they consider to be excessive.

2 Liquidation procedure

- 2.1 Liquidation (or 'winding up') is the most common type of corporate insolvency procedure. Liquidation is the formal winding up of a company's affairs entailing the realisation of its assets and the distribution of the proceeds in a prescribed order of priority. Liquidation may be either voluntary, when it is instituted by resolution of the shareholders, or compulsory, when it is instituted by order of the court.
- 2.2 Voluntary liquidation is the more common of the two. An insolvent voluntary liquidation is called a creditors' voluntary liquidation (often abbreviated to 'CVL'). In this type of liquidation an insolvency practitioner acts as liquidator throughout and the creditors can participate in the appointment of the liquidator. A solvent liquidation is called a members' voluntary liquidation. It should be noted that this guide does not extend to members' voluntary liquidations as the fees in these cases are not determined by the creditors.
- 2.3 In a compulsory liquidation, the function of the liquidator is, in most cases, initially performed not by an insolvency practitioner but by an official called the official receiver. The official receiver is an officer of the court and an official belonging to The Insolvency Service. In most compulsory liquidations, the official receiver becomes liquidator immediately on the making of the winding-up order. Where the specialist skills of an insolvency practitioner are required or the majority of creditors request the appointment of an insolvency practitioner, an insolvency practitioner will usually be appointed to act as liquidator in place of the official receiver. Where an insolvency practitioner is not appointed the official receiver remains as 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. An invitation to decide on whether a committee is to be established will be sent to creditors at the same time as a decision is sought on the appointment of a liquidator. In cases where a liquidation follows immediately on an administration any committee established for the purposes of the administration will continue in being as the liquidation committee.
- 3.2 The liquidator must call the first meeting of the committee within 6 weeks of its establishment 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 fees

4.1 Basis

- 4.1.1 The basis for fixing the liquidator's fees is set out in Rules 18.16, 18.17, 18.19 and 18.20 of the Insolvency (England and Wales) Rules 2016. The Rules state that the basis of fees must be fixed:
- as a percentage of the value of the assets which are realised, distributed or both, by the liquidator
 - by reference to the time properly given by the liquidator and his staff in attending to matters arising in the liquidation, or

A CREDITORS' GUIDE TO LIQUIDATOR'S FEES - ENGLAND AND WALES

- as a set amount.

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

4.2 Advance information where fees are not based on time costs

4.2.1 Prior to the determination of the basis of fees, the liquidator must give the creditors details of the work the liquidator proposes to undertake, and the expenses he considers will be, or are likely to be, incurred.

4.3 Fees estimates where fees are to be based on time costs

4.3.1 Where the liquidator proposes to take fees based on time costs, he must first provide the creditors with detailed information in the form of a 'fees estimate'. A fees estimate is a written estimate that specifies –

- details of the work the liquidator and his staff propose to undertake;
- the hourly rate or rates the liquidator and his staff propose to charge for each part of that work;
- the time the liquidator anticipates each part of that work will take; whether the liquidator anticipates it will be necessary to seek approval or further
- approval under the Rules; and
- the reasons it will be necessary to seek such approval.

4.3.2 In addition, the liquidator must give the creditors details of the expenses he considers will be, or are likely to be, incurred.

4.4 Who fixes the fees?

4.4.1 It is for the liquidation committee (if there is one) to determine on which of these bases, or combination of bases, the fees are to be fixed. Where it is fixed as a set amount or a percentage, it is for the committee to determine the amount, percentage or percentages to be applied. Rule 18.16 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 of the liquidator's efforts to realise the assets of the company.

A CREDITORS' GUIDE TO LIQUIDATOR'S FEES - ENGLAND AND WALES

- **Category 1 disbursements:** These are payments to independent third parties where there is specific expenditure directly referable to the liquidation. Category 1 disbursements can be drawn without prior approval, although the liquidator should be prepared to disclose information about them in the same way as any other expenses.
- **Category 2 disbursements:** These are costs that are directly referable to the liquidation but not to a payment to an independent third party. They may include shared or allocated costs that 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 disbursements require approval in the same manner as a liquidator's fees.

6.4.2 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 disbursements, 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.

6.4.3 The following are not permissible as disbursements:

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

6.5 Payment of pre-appointment expenses

6.5.1 The following categories of expenses may be paid out of the company's assets, either before or after the commencement of the winding up, as an expense of the winding up:

- any reasonable and necessary expenses of preparing the statement of affairs
- any reasonable and necessary expenses of the decision procedure or deemed consent procedure to seek a decision from the creditors on the nomination of liquidator

6.5.2 If payment has not been made pre-commencement of the liquidation, payment may not be made to the liquidator or any associate of the liquidator, otherwise than with the approval of the liquidation committee, creditors or the court.

6.5.3 Disclosure should be made of amounts already paid to the liquidator in respect of pre-appointment costs, giving the amounts paid, the name of the payer, and its relationship to the estate and the nature of the payment.

6.5.4 Disclosure should follow the principles and standards as set out in this Guidance.

6.6 Realisations for secured creditors

6.6.1 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 in any reports he sends to creditors.

7. Exceeding the amount set out in the fees estimate

7.1 Fees cannot be drawn in excess of the fees estimate without approval by the body which fixed the original basis of the fee. The request for approval must specify –

- the reason why the liquidator has exceeded, or is likely to exceed, the fees estimate;
- the additional work the liquidator has undertaken or proposes to undertake;
- the hourly rate or rates the liquidator proposes to charge for each part of that additional work;
- the time that additional work has taken or the liquidator anticipates that work will take;
- whether the liquidator anticipates that it will be necessary to seek further approval; and
- the reasons it will be necessary to seek further approval.

8. Progress reports and requests for further information

8.1 The liquidator is required to send annual progress reports to creditors. In addition to the items described

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above and especially those in paragraph 6.2.1, 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;
- receipts and payments during the period;
- details of what needs to be done;
- where appropriate, a statement setting out whether, at the date of the report –
 - the fee expected to be charged is likely to exceed the fees estimate or any approval given;
 - 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 creditors' rights to request further information, as explained in paragraph 8.2, and their right to challenge the liquidator's fees and expenses.

8.2 Within 21 days of receipt of a progress report a creditor may request the liquidator to provide further information about the fees 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.

8.3 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 some or all of the information.

8.4 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.

9. Provision of information – additional requirements

9.1 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.

9.2 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.

9.3 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.

9.4 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.

10. What if a creditor is dissatisfied?

10.1 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.

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- 10.2 If a creditor believes that the liquidator's fees are excessive, 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.
- 10.3 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 fees or incurring of the expenses in question is first reported (see paragraph 8.1 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.
- 10.4 If the court considers the application well founded, it may order that the fees 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.
- 10.5 On receipt of the liquidator's final account creditors have 8 weeks in which they may challenge the liquidator's fees and expenses as set out above.

11. What if the liquidator is dissatisfied?

- 11.1 If the liquidator considers that the fees 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 decision of the creditors. If he considers that the fees fixed by the liquidation committee, the creditors, in the preceding administration or in accordance with the statutory scale is insufficient, or that the basis used to fix it is inappropriate, he may apply to the court for the amount or rate to be increased or the basis changed. If he decides to apply to the court he must give at least 14 days' notice to the members of the committee and the committee may nominate one or more of its members to appear or be represented at the court hearing. If there is no committee, the liquidator's notice of his application must be sent to such of the creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid out of the assets.

12 Other matters relating to fees

- 12.1 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.
- 12.2 Where two (or more) joint liquidators are appointed it is for them to agree between themselves how the fee payable should be apportioned. Any dispute between them may be referred to the court, the committee or the creditors.
- 12.3 If a new liquidator is appointed in place of another, any determination, decision 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, decision or court order is made.
- 12.4 Where the basis of the fees 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 fees. Where the outgoing liquidator and the incoming liquidator are from the same firm, they will usually agree the apportionment between them.
- 12.5 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 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.

13. 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 6 April 2017.

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14. Maxwell Davies Limited's Statement of Policy on Fees

14.1 Unless otherwise fixed in accordance with the Insolvency Act 1986, an office holder's fees are charged by reference to the time properly given by the office holder and her staff in attending to matters arising in the case.

14.2 In addition to staff directly employed by Maxwell Davies Limited, the office holder may instruct the following to carry out work on the case:

Entity ("Sub-contractors")	Work Undertaken
Insolutions Business Advisory PVT Limited	See below*
Consultant	Investigation work

14.3 * Insolutions Business Advisory PVT Limited is an associated/ connected company operating in India in which the office holder holds a financial interest. The company has been set up to provide administrative support to the office holder. Staff work on all aspects of case administration under the supervision of the office holder.

14.4 The Sub-contractors are engaged as a more cost-effective measure, to enable the work to be undertaken by people with the most appropriate level of expertise, and it avoids the considerable costs that would result if Maxwell Davies Limited were otherwise to directly employ specialists and sufficient staff resources to carry out the work. Junior grades of staff are used where appropriately compatible with the efficient conduct of the matter in order to ensure that costs are kept to a minimum.

14.5 All time spent by the Sub-contractors on the case under the office holder's instructions shall be charged at the rates listed below (subject to any future changes), which are also applicable to the office holder and staff directly employed by Maxwell Davies Limited. The charge-out rates have been set taking into consideration the savings generally achieved by using the Sub-contractors.

14.6 Where it is proposed or agreed that the office holder's remuneration shall be fixed on the basis of time properly spent by the office holder and her staff, this shall include all time properly spent by the Sub-contractors. Thus, for the purposes of the fee estimate, the estimate of time that will be spent and the description of work to be undertaken reflect the combined position of the office holder, staff employed by Maxwell Davies Limited, and the Sub-contractors. Any reports issued by the office holder shall also reflect the combined position of the time spent and work carried out by these parties as a whole.

14.7 Unless otherwise fixed in accordance with the Insolvency Act 1986, an Office Holder's fee are charged by reference to time costs, as incurred, charged at the firm's usual rates applicable at the time the work is carried out. Rates may be varied from time to time, at the sole discretion of Maxwell Davies Limited, and such changes will be notified in retrospect with each report to Creditors. It is the policy of Maxwell Davies Limited use junior grades of staff as compatible with the efficient conduct of the matter in order to ensure costs are kept to a minimum.

14.8 The following table provides the current charge-out rates. Rates may be varied from time to time, at the sole discretion of Maxwell Davies Limited, and such changes will be notified in retrospect with each report to creditors. Where the office holder's remuneration has been approved on a time cost basis, those fees will be calculated on the basis of the charge-out rates applicable at the time that the work was carried out.

Grade of staff	Current charge-out rate per hour, effective from 01.04.19 £	Charge-out rate per hour, effective from 01.07.16 to 31.03.19 £	Charge-out rate per hour, effective from 01.12.13 to 30.06.16 £
Director/appointment taker	472.00	450.00	432.00
Senior Manager	394.00	375.00	268.00 – 295.00
Manager/ Supervisor	315.00	300.00	-
Assistant Manager	-	-	167.50 – 184.00
Senior Administrator	250.00	-	-
Administrator / Cashier	194.00	185.00	109.00
Junior Administrator	131.00	125.00	134.00

LIQ03

Notice of progress report in voluntary winding up



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.

Ruth Ellen Duncan

Maxwell Davies Limited

2nd Floor, Maidstone House

King Street

Maidstone

Kent

Postcode

M E 1 5 6 A W

DX

01622 764 612



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