

LIQ03

Notice of progress report in voluntary winding up



Companies House

WEDNESDAY



A8G0FT8A

A13

23/10/2019

#160

COMPANIES HOUSE

1 Company details

Company number 1 0 1 5 5 6 3 9

Company name in full Gordon Dunnet Ltd

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Robert

Surname Day

3 Liquidator's address

Building name/number Robert Day and Company Limited

Street The Old Library

The Walk

Post town Winslow

County/Region Buckingham

Postcode M K 1 8 3 A J

Country United Kingdom

4 Liquidator's name ①

Full forename(s) Lee James

Surname Cotton

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number Robert Day and Company Limited

Street The Old Library

The Walk

Post town Winslow

County/Region Buckingham

Postcode M K 1 8 3 A J

Country United Kingdom

② 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	d	1	d	9	m	1	m	0	y	2	y	0	y	1	y	8
To date	d	1	d	8	m	1	m	0	y	2	y	0	y	1	y	9

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X

[Handwritten Signature]

X

Signature date

d	2	d	2	m	1	m	0	y	2	y	0	y	1	y	9
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

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.

Contact name

Company name Robert Day and Company Limited

Address

Post town

County/Region

Postcode

Country

DX

Telephone 0845 226 7331



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

Gordon Dunnet Ltd – In Liquidation ('the company')

Company Number: 10155639

Current Registered Office: c/o Robert Day and Company Limited, The Old Library, The Walk, Winslow, Buckingham MK18 3AJ

Previous Registered Office: 13 Vansittart Estate, Windsor, Berkshire SL4 1SE

Trading Address: 13 Vansittart Estate, Windsor, Berkshire SL4 1SE

Basis of Remuneration: Fixed Fee

Office Holder Details: Robert Day and Lee James Cotton of Robert Day and Company Limited, The Old Library, The Walk, Winslow, Buckingham MK18 3AJ

Date of Appointment: 19 October 2018

1. Introduction

This report provides members with an update on the progress made in the liquidation and an explanation of the work done by the joint liquidators and their staff during the period 19 October 2018 to 18 October 2019.

This report is intended for use by those parties entitled to a copy thereof under the Insolvency Rules (England and Wales) 2016. It may contain information that is privileged, confidential or exempt from disclosure and any dissemination, distribution or copying of it and its attachments is strictly prohibited. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

Robert Day and Lee James Cotton are authorised in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales. All work is conducted in accordance with the Insolvency Code of Ethics.

2. Receipts and Payments Account

A copy of the joint liquidators' receipts and payments account for the period 19 October 2018 to 18 October 2019 is attached to this report.

3. Planning

The joint liquidators planned to discharge their obligations to members by seeking to maximise asset realisations, minimise the input required from them, compatible with complying with the various statutory and professional regulatory requirements which flowed from their appointment and consequently to maximise the return to members.

4. Administration

Details of the joint liquidators' appointment were advertised, as required, in the London Gazette, and submitted to Companies House with accompanying documents. The joint liquidators also provided information on their appointment to the insurers who have given them a bond.

The necessary records have been maintained, on behalf of the company, to enable the joint liquidators to file the relevant returns at Companies House made necessary by Section 192 of the Insolvency Act 1986.

5. Asset Realisations

The declaration of solvency (the declaration) made by the company's director on 19 October 2018 detailed the company's assets as being as follows:-

Balance at Bank of £226,742.

The sum of £226,705.08 has been realised in respect of the closing balance on the company's bank account.

A VAT reclaim of £500.00 has been received from HM Revenue & Customs in respect of the VAT receivable incurred on the costs of the liquidation.

A further VAT reclaim of £240.00 will be lodged with HM Revenue & Customs in respect of further VAT receivable incurred since the submission of the reclaim referred to above.

6. Liabilities

The sum of £182,000.00 has been distributed to the company's shareholder

This represents distributions totalling £1,820.00 per ordinary share.

The sum of £27,554.32 has been paid to HM Revenue & Customs in respect of outstanding corporation tax for the period ended 30 April 2018. The amount due to HM Revenue & Customs was calculated after applying statutory interest and taking into the account the discount for early payment available under Rule 14.44 of the Insolvency (England and Wales) Rules 2016.

It is likely that further amounts will be payable to HM Revenue & Customs in respect of subsequent corporation tax periods. These amounts are currently being finalised.

7. Liquidators' Remuneration / Expenses

The time costs in dealing with the liquidation to 18 October 2019 amount to £2,401.00.

This represents 9.8 hours at an average charge out rate of £245.00 per hour.

A breakdown of the Liquidator's Time and Charge Out Rates is attached to this report.

At the meeting of the company's shareholders held on 19 October 2018 it was agreed that liquidators' remuneration would be a set amount.

The set amount agreed was a fixed fee of £2,500 including disbursements plus VAT. This was considered an appropriate amount when taking into account the routine administrative, statutory and cashing tasks (i.e. the work that must be undertaken to meet the legal requirements placed on the liquidator) required plus the work that must be undertaken in order to derive a benefit for shareholders and any creditors (i.e. asset realisations). This fee was drawn on 12 December 2018.

The following category 1 disbursements have been incurred and re-charged to the estate as part of the agreed fixed fee:-

Statutory Advertising (London Gazette) - £252.54

Specific Penalty Bond Premium - £210.00

Statutory Advertising costs are re-charged at the actual cost incurred where possible.

The joint liquidators are required to purchase a bond on all formal appointments undertaken. The purpose of the bond is to indemnify the beneficiaries of the estate being administered against losses caused by dishonesty or fraud on the part of the insolvency practitioners. The bond must be for the level of assets potentially available to the beneficiaries. In this case the joint liquidators have purchased a £250,000 bond however there is scope to increase the level of bond should realisations exceed £250,000 (which is unlikely to be the case).

A copy of Rule 18.34 of the Insolvency (England and Wales) Rules 2016 is attached for your information.

A further copy of 'A Creditors' Guide to Liquidator's Fees' is also attached for your information.

The sum of £1,200.00 has been paid to the company's accountants in respect of work undertaken by them in finalising the company's affairs.

8. Matters Still To Be Dealt With / Conclusion

The following matters are still to be dealt with:-

1. Receipt of the further VAT reclaim referred to earlier on this report;
2. Receipt and payment of any further claim HM Revenue & Customs has against the company;
3. Receipt of clearance from HM Revenue & Customs to begin the closure of the liquidation and
4. Payment of a second and final distribution to the company's shareholder.

The joint liquidators are required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless they have concluded matters prior to this, in which case they will write to all members with their final progress report whilst giving notice of their intention to finalise their administration of the liquidation at the same time.

It is anticipated that this liquidation will be concluded prior to the next anniversary.

If you require any further information or clarification on any matter please contact the joint liquidators.



Robert Day
Joint Liquidator

Gordon Dunnet Ltd
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

**Statement
of Affairs**

**From 19/10/18
To 18/10/19**

	SECURED ASSETS	
		0.00
	ASSET REALISATIONS	
226,742	Balance at Bank	226,705.08
	VAT Reclaimed	500.00
		<hr/> 227,205.08
	COST OF REALISATIONS	
	Accountancy Fees	1,200.00
	Joint Liquidators' Fixed Fee including Disbursements	2,500.00
	VAT Receivable	740.00
		<hr/> 4,440.00
	PREFERENTIAL CREDITORS	
		0.00
	UNSECURED CREDITORS	
40,657	Taxation	27,554.32
	DISTRIBUTIONS	
183,085	Ordinary Shareholders	182,000.00
		<hr/> 13,210.76
	Balance in Hand	13,210.76
	REPRESENTED BY	
	Bank 1 Current	<hr/> 13,210.76
		13,210.76



Robert Day
Joint Liquidator

Gordon Dunnet Ltd - In Liquidation

Joint Liquidators' Time and Charge Out Summary from 19 October 2018 to 18 October 2019

Classification of work function	Liquidator	Manager	Total Hours	Time Cost £	Average Hourly Rate £
Administration and Planning	6.9	-	6.9	1,690.50	245.00
Investigations	-	-	-	-	-
Realisation of Assets	0.8	-	0.8	196.00	245.00
Trading	-	-	-	-	-
Creditors	2.1	-	2.1	514.50	245.00
Case Specific Matters	-	-	-	-	-
Total Hours	9.8	-	9.8	2,401.00	245.00
Total Fees Claimed (£)	2,401.00	-	-	-	-

Charge Out Rate Summary

Description	Hourly Rate (£)	Dates
Liquidator	245	19/10/18 - 18/10/19

Note - Time costs are calculated at 6 minute units

Post Appointment Disbursements

Disbursements	Incurred	Paid (as part of fixed fee)
Category 1 -		
Statutory Advertising	£252.54	£252.54
Specific Penalty Bond Premium	£210.00	£210.00

Category 1 Disbursements are external supplies specifically identifiable to the case.

Where these disbursements have been initially paid by Robert Day and Company Limited and then recharged to the estate approval from members is not required

Category 2 Disbursements include elements of shared or allocated costs incurred by Robert Day and Company Limited and recharged to the estate. They are not attributable to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full, subject to the basis of the disbursement charged being approved by members in advance.

It is not the policy of Robert Day and Company Limited to charge Category 2 Disbursements

[illegible]

STATUTORY INSTRUMENTS

2016 No. 1024

The Insolvency (England and Wales) Rules 2016

PART 18

REPORTING AND REMUNERATION OF OFFICE-HOLDERS

CHAPTER 4

Remuneration and expenses in administration, winding up and bankruptcy

Remuneration and expenses: application to court by a creditor or member on grounds that remuneration or expenses are excessive

18.34. (1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that

- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
- (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
- (c) the expenses incurred by the office-holder are in all the circumstances excessive.

(2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable

- (a) a secured creditor,
- (b) an unsecured creditor with either—
 - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - (ii) the permission of the court, or
- (c) in a members' voluntary winding up
 - (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - (ii) a member of the company with the permission of the court.

(3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

A CREDITORS' GUIDE TO LIQUIDATORS' FEES

ENGLAND AND WALES

1 Introduction

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

2 Liquidation procedure

- 2.1.1 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.
- 2.1.2 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 ('IP') acts as liquidator throughout.
- 2.1.3 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 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 liquidator.
- 2.1.4 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

- 3.1.1 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.
- 3.1.2 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 Basis

4.1.1 The basis for fixing the liquidator's remuneration 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 remuneration 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
- 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.

4.2 Advance information where remuneration not based on time costs

4.2.1 Prior to the determination of the basis of remuneration, 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. However, where the liquidator proposes to take any part or all of his remuneration on a time cost basis, he must provide more detailed information in the form of a 'fees estimate', as explained below.

4.3 Fees estimates where remuneration to be based on time costs

4.3.1 Where the liquidator proposes to take remuneration 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.

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 remuneration

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 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 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 with which the liquidator appears to be carrying out, or to have carried out, his duties,

- the value and nature of the property which the liquidator has to deal with.

4.4.2 If there is no liquidation committee, or the committee does not make the requisite determination, the liquidator's remuneration may be fixed by a decision of the creditors. The creditors take account of the same matters as apply in the case of the committee.

4.4.3 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.

4.4.4 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

5.1 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 General principles

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

6.1.2 A proposed liquidator may issue a fees estimate to creditors prior to being appointed liquidator.

6.1.3 The liquidator should disclose:

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

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

6.1.4 Where the liquidator sub-contracts out work that could otherwise be carried out by the liquidator or his or her staff, this should be drawn to the attention of creditors with an explanation of why it is being done

6.2 Key issues

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

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

When providing information about payments, fees and expenses, the liquidator should do so in a way which facilitates clarity of understanding of these key issues. Narrative explanations should be provided to support any numerical information supplied. Where it is practical to do so, the liquidator should provide an indication of the likely return to creditors when seeking approval for the basis of his remuneration.

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

6.3 Fee estimates and subsequent reports

- 6.3.1 When providing a fee estimate, the liquidator should supply that information in sufficient time to facilitate that body making an informed judgement about the reasonableness of the liquidator's requests. The estimate should clearly describe what activities are anticipated to be conducted in respect of the estimated fee. When subsequently reporting to creditors, the actual hours and average rate (or rates) of the costs charged for each activity should be provided for comparison.

6.4 Disbursements

- 6.4.1 Costs met by and reimbursed to the liquidator in connection with the liquidation will fall into two categories:
- 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 remuneration.

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.

- 6.4.2 The following are not permissible as disbursements:

- a charge calculated as a percentage of remuneration;
- an administration fee or charge additional to the liquidator's remuneration,

- recovery of basic overhead costs such as office and equipment rental, depreciation and finance charges

6.5 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 a liquidator under R6.14.

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, the creditors or the court.

6.5.3 Disclosure should be made in the fees estimate 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 to the committee (if there is one), to creditors when considering a decision for the purpose of determining his fees, and in any reports he sends to creditors.

7. Exceeding the amount set out in the fees estimate

7.1 Remuneration cannot be drawn in excess of the fees estimate without approval by the body which fixed the original basis of the remuneration. 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

8.1.1 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;
- details of progress during the period of the report, including a summary of the receipts and payments during the period;
- details of what remains to be done,
- where appropriate, a statement –
 - that the remuneration anticipated to be charged is likely to exceed the fees estimate or any approval given for remuneration exceeding the estimate;
 - that expenses incurred or anticipated to be incurred are likely to exceed, or have exceeded, the details given to the creditors prior to the determination of the basis of remuneration; 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 remuneration and expenses.

8.1.2 Within 21 days of receipt of a progress report 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.

8.1.3 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
- 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.

8.1.4 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 What if a creditor is dissatisfied?

9.1.1 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

9.1.2 If a creditor believes that the liquidator's remuneration is 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

9.1.3 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 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.

- 9.1.4 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.
- 9.1.5 On receipt of the liquidator's final account creditors have 8 weeks in which they may challenge the liquidator's remuneration and expenses under R18.34

10. What if the liquidator is dissatisfied?

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

11 Other matters relating to remuneration

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

the liquidator and the creditors concerned and will not be subject to the statutory rules relating to remuneration.

12. Effective date

This guide applies where a company goes into liquidation on or after 6 April 2017.