

LIQ03

Notice of progress report in voluntary winding up



Companies House

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

1 Company details

Company number 1 0 9 8 6 4 3 0

Company name in full WSY Holdings Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Margaret

Surname Carter

3 Liquidator's address

Building name/number 6th Floor

Street Bank House

Post town Cherry Street

County/Region Birmingham

Postcode B 2 5 A L

Country

4 Liquidator's name ①

Full forename(s) James

Surname Martin

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 6th Floor

Street Bank House

Post town Cherry Street

County/Region Birmingham

Postcode B 2 5 A L

Country

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 0	^d 3	^m 1	^m 2	^y 2	^y 0	^y 2	^y 1				
To date	^d 0	^d 2	^m 1	^m 2	^y 2	^y 0	^y 2	^y 2				

7	Progress report											
☒ The progress report is attached												

8	Sign and date											
Liquidator's signature	Signature X 								X			
Signature date	^d 1	^d 9	^m 0	^m 1	^y 2	^y 0	^y 2	^y 3				

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 Mei France

Company name Azets

Address 6th Floor

Bank House

Post town Cherry Street

County/Region Birmingham

Postcode B 2 5 A L

Country

DX

Telephone 0121 374 0180



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

WSY Holdings Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Declaration of Solvency £		From 03/12/2021 To 02/12/2022 £	From 03/12/2021 To 02/12/2022 £
	ASSET REALISATIONS		
41,801.85	Cash at Bank	41,720.85	41,720.85
538,953.33	Distribution from W S Yeates Limited	NIL	NIL
		41,720.85	41,720.85
	COST OF REALISATIONS		
	Joint Liquidators Fees	2,000.00	2,000.00
	Pre Liquidation Fees	2,000.00	2,000.00
	Specific Bond	20.00	20.00
	Statutory Advertising	267.60	267.60
	VAT Irrecoverable	857.52	857.52
		(5,145.12)	(5,145.12)
580,755.18		36,575.73	36,575.73
	REPRESENTED BY		
	Bank 1 Current		36,575.73
			36,575.73

Note:



Margaret Carter
Joint Liquidator

Joint Liquidators' Annual Progress Report to Members

**WSY Holdings Limited
- In Liquidation**

19 January 2023

WSY HOLDINGS LIMITED - IN LIQUIDATION

CONTENTS

- 1** Introduction and Statutory Information
- 2** Progress of the Liquidation
- 3** Creditors' Claims
- 4** Distributions to Members
- 5** Joint Liquidators' Remuneration
- 6** Members' Rights
- 7** Next Report

APPENDICES

- A** Receipts and Payments Account for the Period from 3 December 2021 to 2 December 2022
- B** Time Analysis for the Period from 3 December 2021 to 2 December 2022
- C** Additional Information in Relation to Joint Liquidators' Fees, Expenses & the use of Subcontractors
- D** Azets Fees and Expenses policy
- E** A Shareholders Guide to Liquidators' Fees

1 Introduction and Statutory Information

- 1.1 We, Margaret Carter and James Martin of Azets, 6th Floor, Bank House, Cherry Street, Birmingham, B2 5AL, were appointed as Joint Liquidator of WSY Holdings Limited (the Company) on 3 December 2021. The Joint Liquidators can be contacted by phone on 0121 374 0180 or by email via mei.france@azets.co.uk.
- 1.2 This report provides an update on the progress in the liquidation for year ended 2 December 2022 (the Period).
- 1.3 Information about the way that we will use, and store personal data on insolvency appointments can be found at <https://www.azets.co.uk/about-us/privacy-cookie-policy/>. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.4 The trading address of the Company was 118 Pall Mall, London, SW1Y 5EA.
- 1.5 Upon appointment, the registered office of the Company was changed to 6th Floor, Bank House, Cherry Street, Birmingham, B2 5AL and its registered number is 10986430.

2 Progress of the Liquidation

- 2.1 At Appendix A, we have provided an account of our Receipts and Payments for the Period, with a comparison to the Declaration of Solvency values (DOS).
- 2.2 On appointment as Joint Liquidators, we are required to carry out certain tasks in nearly every insolvency assignment, namely administrative duties. These tasks are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings. This work includes:
- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case;
 - Setting up physical and electronic case files;
 - Setting up the case on the practice's electronic case management system and entering data;
 - Issuing the statutory notifications to creditors and others required on appointment as office holder, including gazetting the office holders' appointment;
 - Obtaining specific penalty bonds (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate);
 - Dealing with all routine correspondence and emails relating to the case;
 - Opening, maintaining and managing the office holders' estate bank account;
 - Creating, maintaining and managing the office holders' cashbook;
 - Undertaking regular reconciliations of the bank account containing estate funds;
 - Undertaking periodic reviews of the progress of the case;
 - Overseeing and controlling the work done on the case by case administrators;
 - Filing returns at Companies House;
 - Dealing with Company's tax matters such as Corporation Tax;
 - Liaising with the Company's Accountants in relation of tax matters;
 - Dealing with queries from the Company directors and members;
 - Verify the member's contact details, shareholding and account details in readiness for the distribution;
 - Preparing annual return to shareholders;
 - Seeking closure clearance from HM Revenue and Excise (HMRC) and other relevant parties; and
 - In due course, closing formalities.

Distribution from W S Yeates Limited

- 2.3 The Company is the major shareholder of a subsidiary company, W S Yeates Limited (W S Yeates).
- 2.4 W S Yeates was placed into liquidation on 29 July 2021 with common Joint Liquidators of the Company, Margaret Carter and James Martin.
- 2.5 The directors' DOS indicated the distribution from W S Yeates would be £538,953.33. However, according to the latest available information, the anticipated distribution from W S Yeates will be c£538,825.00.
- 2.6 This is the only remaining Company asset to be realised.

Cash at Bank

- 2.7 We have received cash at bank in the amount of £41,720.85 which is slightly lower than the amount £41,801.85 as shown in the DOS.
- 2.8 This was due to unexpected disbursements which had been paid prior to the date of liquidation.

VAT

- 2.9 The Company is not VAT registered; however we have received VAT/PAYE clearance from HMRC confirming that they have been unable to trace any VAT or PAYE reference relating to the Company.

Corporation Tax

- 2.10 We have liaised with the Company's accountants to finalise all the tax matters up to the date of liquidation.
- 2.11 Upon appointment, the final pre-liquidation Corporation Tax return was prepared and filed with HMRC.
- 2.12 Please be advised that we have received tax clearance from HMRC in respect of Corporation Tax, this was in April 2022.

Shareholders verification

- 2.13 According to the Company's records, the Company has five shareholders, which are all registered charities.
- 2.14 Since our appointment, we have carried out verification with all the shareholders in respect of their contact details and shareholdings. We will contact the members shortly to obtain their account information.

Bank Interest

- 2.15 With the directors' agreement, funds received in the liquidation were banked in a non-interest bearing bank account which avoided the need to account for and pay tax on the estimated modest bank interest.

3 Creditors' Claims

- 3.1 The DOS indicated that there are no creditors and we have received no claims in the liquidation.

4 Distributions to Members

- 4.1 No distribution to members has been made.
- 4.2 It is anticipated that a first and final distribution will be made to the members once the Company's remaining assets have been realised.

5 Joint Liquidators' Remuneration

- 5.1 The members approved that the pre-appointment fee be fixed on the basis of a set amount of £2,000 plus VAT and disbursements. This fee has been paid in the Period.
- 5.2 The members also approved that the basis of the Joint Liquidators' remuneration be fixed by reference to the time properly spent by them and their staff in managing the liquidation. The agreed fees are not to exceed £2,000 plus VAT without the approval of a majority of the members. This has been paid in the Period.
- 5.3 Time costs for the Period are £6,776.50. This represents 34.20 hours at an average rate of £198.14 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by us in managing the liquidation.
- 5.4 Time costs have been substantially greater than our initial estimate, the reasons for this are:-
- Time spent in dealing with HMRC in respect of tax clearance relating to Corporation Tax and VAT/PAYE.
 - General matters involved in administering the case which has been continued as a consequence of the above - when an assignment continues for longer than anticipated, costs are greater. Tasks which are periodic in nature, such as statutory and best practice requirements must be undertaken for the duration of each case. Such tasks include (but are not limited to) case reviews, bonding reviews, maintaining and managing the office holders' estate bank account etc.,
- 5.5 Attached as Appendix C is additional information in relation to the Joint Liquidators' fees and expenses including where relevant, information on the use of subcontractors and professional advisers.
- 5.6 We attach a copy of 'Azets Fees and Expenses policy' as Appendix D.
- 5.7 A copy of 'A Shareholders' Guide to Liquidators' Fees' is attached as Appendix E.

6 Members' Rights

- 6.1 Within 21 days of the receipt of this report, members with either at least 5% of the total voting rights of all the members having the right to vote at general meetings of the Company or with the permission of the court, may request in writing that the Joint Liquidators provide further information about their remuneration or expenses which have been itemised in this progress report.
- 6.2 Any members with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the Company may within 8 weeks of receipt of this progress report, make an application to court on the grounds that, in all the circumstances, the basis fixed for the Joint Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint Liquidators, as set out in this progress report, are excessive.

7 Next Report

- 7.1 We are required to provide a further report on the progress of the liquidation within two months of the end of the second anniversary of the liquidation, unless we have concluded matters prior to this, in which case we will write again with our proposed final account.

Yours faithfully



Margaret Carter
Joint Liquidator

Enc.

WSY HOLDINGS LIMITED - IN LIQUIDATION

Appendix A

Receipts and Payments Account for the Period from 3 December 2021 to 2 December 2022

WSY Holdings Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Declaration of Solvency		From 03/12/2021 To 02/12/2022	From 03/12/2021 To 02/12/2022
£		£	£
	ASSET REALISATIONS		
538,953.33	Distribution from W S Yeates Limited	NIL	NIL
41,801.85	Cash at Bank	41,720.85	41,720.85
		<u>41,720.85</u>	<u>41,720.85</u>
	COST OF REALISATIONS		
	Specific Bond	20.00	20.00
	Pre Liquidation Fees	2,000.00	2,000.00
	Joint Liquidators Fees	2,000.00	2,000.00
	VAT Irrecoverable	857.52	857.52
	Statutory Advertising	267.60	267.60
		<u>(5,145.12)</u>	<u>(5,145.12)</u>
<u>580,755.18</u>		<u>36,575.73</u>	<u>36,575.73</u>
	REPRESENTED BY		
	Bank 1 Current		36,575.73
			<u>36,575.73</u>

Appendix B

Time Analysis for the Period from 3 December 2021 to 2 December 2022

WSY HOLDINGS LIMITED - IN LIQUIDATION

SIP9 By Task Code
WSY Holdings Limited
Corporate Insolvency: Post Appointment
For the period: 03/12/2021 to 02/12/2022



Administration and planning								
A&P - Bonding & Bordereau	0.20	0.20	0.00	2.00	0.00	2.40	443.00	184.58
A&P - Cashiering & Banking	0.20	0.00	0.00	5.60	0.00	5.80	980.00	168.97
A&P - Checklists & Reviews	1.20	0.50	0.00	6.20	0.00	7.90	1,759.00	222.66
A&P - Director/Other Advice	0.00	0.20	0.00	0.00	0.00	0.20	64.00	320.00
A&P - Filing	0.00	0.00	0.00	1.30	0.00	1.30	207.00	159.23
A&P - General Correspondence/Letters/Emails	0.00	0.00	0.00	2.20	0.00	2.20	420.00	190.91
A&P - Post Appointment VAT & Tax	0.30	0.20	0.00	1.00	0.00	1.50	332.50	221.67
A&P - Appointment & Related Formalities	2.00	0.40	0.00	3.50	0.00	5.90	1,403.00	237.80
	<u>3.90</u>	<u>1.50</u>	<u>0.00</u>	<u>21.80</u>	<u>0.00</u>	<u>27.20</u>	<u>5,608.50</u>	<u>206.19</u>
Creditors								
CRE - General Correspondence/Letters/Emails	0.00	0.40	0.00	0.00	0.00	0.40	108.00	270.00
CRE - Pre Appointment VAT/PAYE/CTax	0.00	0.00	0.00	5.10	0.00	5.10	835.00	163.73
	<u>0.00</u>	<u>0.40</u>	<u>0.00</u>	<u>5.10</u>	<u>0.00</u>	<u>5.50</u>	<u>943.00</u>	<u>171.45</u>
Realisation of assets								
ROA - Cash & Investments	0.00	0.00	0.00	1.50	0.00	1.50	225.00	150.00
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1.50</u>	<u>0.00</u>	<u>1.50</u>	<u>225.00</u>	<u>150.00</u>
Total hours	<u>3.90</u>	<u>1.90</u>	<u>0.00</u>	<u>28.40</u>	<u>0.00</u>	<u>34.20</u>		
Time costs	<u>1,584.50</u>	<u>470.00</u>	<u>0.00</u>	<u>4,722.00</u>	<u>0.00</u>		<u>6,776.50</u>	

Appendix C

Additional Information in Relation to Joint Liquidators' Fees, Expenses & the use of Subcontractors

Staff Allocation and the use of Subcontractors

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.

We have not utilised the services of any subcontractors on this case.

Joint Liquidators' Expenses

The estimate of expenses which were anticipated at the outset of the liquidation was provided to members when the basis of our fees was approved. The table below compares the anticipated costs against those incurred to date.

Category 1 expenses

These expenses do not require prior approval by members. The type of expenses that may be charged to a case as a Category 1 expense generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, external room hire and external storage costs. Also chargeable, will be any properly reimbursed expenses incurred by personnel in connection with the case. These expenses may include disbursements which are payments first met by an office holder and then reimbursed from the estate.

<i>Expense</i>	<i>Estimated overall cost £</i>	<i>Paid in the period covered by this report £</i>	<i>Incurred but not paid to date £</i>
Specific Bond	120.00	20.00	0.00
Statutory advertising	267.60	267.60	0.00
VAT Irrecoverable	N/A	857.52	0.00
		1,145.12	0.00

The Company is not VAT registered; therefore, it is not feasible to reclaim the VAT recoverable from HMRC.

Category 2 expenses

These expenses do require approval from members. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may therefore include payments to associates of the office holder or shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. No Category 2 disbursements have been charged by this firm.

Charge-Out Rates

Azets's current charge-out rates are detailed in the attached document. Please note this firm records its time in minimum units of six minutes.

Appendix D

Azets Fees & Expenses policy

Introduction

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk>.

Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency 9 (SIP 9) and can be accessed at <https://www.azets.co.uk/restructuring-and-insolvency-downloads/>. A hard copy may be requested from Azets Holdings Limited, 6th Floor Bank House, 8 Cherry Street, Birmingham B2 5AL or mei.france@azets.co.uk

Staff Allocation and Charge Out Rates

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. Work carried out by all staff is subject to the overall supervision of the office holders.

The constitution of the case team will usually consist of a Partner/Director, Manager and an Administrator as well as support staff. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and on larger, more complex cases, several members of staff may be allocated to meet the demands of the case.

We operate a time recording system which allows staff working on the assignment along with the office holders to allocate their time to an assignment in 6 minute units.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration and planning
- Investigations
- Realisation of assets
- Creditors
- Trading
- Case specific matters

Time costs are recorded at the individual's hourly rate in force at that time. Our charge out rates increased on 1 February 2022 and are shown below, exclusive of VAT.

1 February 2022 to date	£	1 September 2018 to 31 January 2022	£
Partner/Director	400.00 – 580.00	Partner/Director	395.00
Manager	280.00 – 375.00	Senior Manager	260.00
Administrator	130.00 – 275.00	Manager	220.00
Support Staff	120.00	Case Administrator	150.00
		Support staff	120.00

Included within the manager grade are Senior Manager, Manager and Assistant Manager. Included within the Administrator grade are Senior Administrator and Assistant. Where necessary and appropriate, members of staff from other departments of the practice will undertake work on a case. They will be charged at their normal charge out rate for undertaking such work.

Please note that charge out rates are reviewed annually and may be subject to change.

Expenses

On insolvency appointments, an office holder will typically incur expenses which relate to that assignment. Expenses (or costs) are amounts properly payable by an office holder from an insolvency estate which are not otherwise categorised as the office holder's remuneration or a distribution to a creditor or shareholder. These expenses may include, but are not limited to, agent's costs for disposal and realisation of assets, legal costs, specialist pension advice, tax services or other routine expenses associated with an insolvency appointment such as statutory advertising costs, the office holder's specific penalty bond and costs associated with storing the books and records. Expenses also include disbursements which are payments that are first met by the office holder and then reimbursed at a later date from the estate, usually when realisations permit. Details of the anticipated expenses on an insolvency assignment will be outlined in the office holder's fees estimate or other information provided to creditors about the fee basis or bases being proposed.

Expenses recharged to, or incurred directly by, an insolvent estate are subject to VAT at the applicable rate where appropriate.

Some expenses can be paid without prior approval from creditors (referred to as Category 1 expenses) and other expenses which may have an element of shared costs or are proposed to be paid to an associate of the office holder, require approval before they can be paid (referred to as Category 2 expenses).

Category 1 expenses are directly referable to an invoice from a third party that is not an associate of the office holder or the firm, which is either in the name of the estate or Azets Holdings Limited; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the insolvency estate. These costs are recoverable without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party.

Category 2 expenses are directly attributable to the estate but include an element of shared costs or is a payment to an associate of the office holder or the firm. These expenses are recoverable from the estate, subject to the prior approval of the creditors, in the same manner as the approval of the office holder's remuneration.

The Category 2 expenses which include an element of shared costs and are charged by this firm are as follows:

- Postage – charged in accordance with the current Royal Mail price guide for first class.
- Business mileage – charged at standard rates which comply with HM Revenue & Customs limits. The current rate is 45 pence per mile.
- Internal photocopying - charged at 5 pence per sheet for reports and circulars issued to creditors, shareholders, employees and other stakeholders. No additional charge is made for individual items of correspondence.
-

Please note that these category 2 expenses are reviewed annually and may be subject to change.

Payments to associates (as defined in Section 435 of the Insolvency Act 1986 and the Insolvency Code of Ethics), which are also classified as a category 2 expense requiring creditor approval, are not routinely made by this firm. Any such payments will be considered on a case by case basis and when seeking approval for the payments, the office holder will provide creditors with an explanation of the work to be done, why the work is necessary and the estimated payment that will be made. The form and nature of the relationship with the associate will also be provided.

Provision of Services Regulations

When carrying out all professional work relating to an insolvency appointment, Insolvency Practitioners are bound by the Insolvency Code of Ethics.

To comply with the Provision of Service Regulations, some general information about Azets Holdings Limited, including our complaints policy and Professional Indemnity Insurance and the Insolvency Code of Ethics, is available on our website using the following link: www.azets.co.uk/about-us/legal-regulatory-information/

WSY HOLDINGS LIMITED - IN LIQUIDATION

Appendix E

A SHAREHOLDERS 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 members (shareholders), who hope to recover some of their investment, 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 members to fix the basis of the Liquidator's fees. This guide is intended to help members be aware of their rights to approve and monitor fees, explains the basis on which fees are fixed and how members can seek information about expenses incurred by the Liquidator and challenge those they consider to be excessive.

2. Liquidation procedure

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

2.2 Voluntary liquidation is the more common of the two. A solvent voluntary liquidation is called a members' voluntary liquidation (often abbreviated to 'MVL'). In this type of liquidation an insolvency practitioner acts as Liquidator throughout and the members vote on the appointment of the Liquidator at a meeting of members or by passing written resolutions under the Companies Act 2006.

3. Fixing the Liquidator's remuneration

3.1 The basis for fixing the Liquidator's remuneration is set out in Rules 18.16, 18.17 and 18.19 of the Insolvency (England & Wales) Rules 2016. The Rules state that the remuneration shall be fixed:

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

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

Usually in a liquidation, the determination of the basis (or combination of bases) for the Liquidator's remuneration falls to the liquidation committee (if one is formed), however there is no mechanism in insolvency legislation for a committee to be formed in an MVL. Therefore, the basis (or bases) for the Liquidator's remuneration will be fixed by a resolution of a meeting of members (or by written resolution in the alternative), which is usually dealt with at the same time as the Liquidator's appointment. The members shall have regard to the following matters when considering the Liquidator's request:

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

4. Review of remuneration

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

body as initially approved the remuneration, and the same rules apply as to the original approval.

5. What information should be provided by the Liquidator?

5.1 When fixing bases of remuneration

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

5.2 Estimate of fees where remuneration is based on time costs

5.2.1 Although the provisions contained within the insolvency legislation regarding fee estimates do not apply to MVLs, if any part of the remuneration is sought on a time costs basis, the Liquidator should provide sufficient information to the members about the anticipated cost of the work he expects to do, based on information provided by the directors of the company at the outset, together with information about any anticipated expenses.

If the scope of the work the Liquidator anticipates changes, he will liaise with the members during the Liquidation to provide an update on the likely costs associated with winding up the company's affairs.

5.3 Other

5.3.1 General principles

When reporting, the Liquidator should disclose:

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

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

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

5.4 After the bases of remuneration have been fixed

The Liquidator is required to send progress reports to members at specified intervals (see paragraph 6.1 below). When reporting periodically to members, in addition to the matters specified in paragraph 6.1, the Liquidator should provide an explanation of what has been achieved in the period under review and how it was achieved, sufficient to enable the progress of the case to be assessed.

Members should be able to understand whether the remuneration charged is reasonable in the circumstances of the case (whilst recognising that the Liquidator must fulfil certain statutory obligations and regulatory requirements that might be perceived as bringing no added value for the estate).

5.5 Expenses

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

WSY HOLDINGS LIMITED - IN LIQUIDATION

- Category 1 expenses: These are costs where there is specific expenditure directly referable both to the liquidation and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the Liquidator or his or her staff.
- Category 2 expenses: These are costs that are directly referable to the liquidation but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the liquidation on a proper and reasonable basis, for example, business mileage.

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

5.5.2 The following are not permissible:

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

5.6 Realisations for secured creditors

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

6. Progress reports and requests for further information

6.1 The Liquidator is required to send annual progress reports to members. 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;
- a statement of the members' rights to request further information, as explained in paragraph 6.2, and their right to challenge the Liquidator's remuneration and expenses.

6.2 Within 21 days of receipt of a progress report, a member may request the Liquidator to provide further information about the remuneration and expenses set out in the report. Any request must be in writing.

6.3 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

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

7. What if a member is dissatisfied?

7.1 As noted above, in an MVL, it is the members as a body who have authority to approve the Liquidator's fees. To enable them to carry out this function they may require the Liquidator to call a members' meeting. In order to do this at least ten per cent in value of the members must concur with the request, which must be made to the Liquidator in writing.

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

8. What if the Liquidator is dissatisfied?

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

If the Liquidator decides to apply to the court, he must give at least 14 days' notice of his application to the shareholders, or such one or more of them 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.

9. Other matters relating to remuneration

9.1 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.

9.2 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, or to a meeting of members.

9.3 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 members or the court.

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

9.5 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.

10. Effective date

This guide applies where a company goes into liquidation on or after 1 April 2021.