

Liquidator's Statement of
Receipts and Payments
Pursuant to Article 162 of the
Insolvency (Northern Ireland) Order 1989

A.162

To the Registrar of Companies

For Official Use

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Company Number

R0000703

Name of Company

Aon Risk Services (NI) Limited

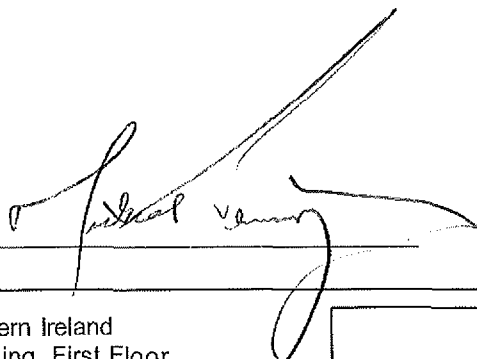
I / We

Michael Jennings, Metro Building, First Floor, 6-9 Donegall Square South, Belfast, BT1 5 JA

Brian Murphy, Metro Building, First Floor, 6-9 Donegall Square South, Belfast, BT1 5 JA

the liquidator(s) of the company attach a copy of my/our statement of receipts and
payments under Article 162 of the Insolvency (Northern Ireland) Order 1989.

Signed



Date 01 March 2024

BDO Northern Ireland
Metro Building, First Floor
6-9 Donegall Square South
Belfast
BT1 5JA

Ref: AONRISK/MJ/BM/JY/MG

For Official Use

Public Office

Liquidation Section

STATEMENT OF RECEIPTS AND PAYMENTS

Form 4.69 Cont.

under Article 162 of the Insolvency (Northern Ireland) Order 1989

Name of company	Aon Risk Services (NI) Limited
Company's registered number	R0000703
State whether members' or creditors' voluntary winding up	Members
Date of commencement of winding up	06 September 2023
Date to which this statement is brought down	01 March 2024
Name and address of liquidator	
Michael Jennings Metro Building, First Floor 6-9 Donegall Square South Belfast BT1 5JA	Brian Murphy Metro Building, First Floor 6-9 Donegall Square South Belfast BT1 5JA

NOTES

You should read these notes carefully before completing the forms. The notes do not form part of the return to be sent to the registrar of companies

FORM AND CONTENTS OF STATEMENT

(1) Every statement must contain a detailed account of all the liquidator's realisations and disbursements in respect of the company. The statement of realisations should contain a record of all receipts derived from assets existing at the date of the winding up resolution and subsequently realised, including balance at bank, book debts and calls collected, property sold etc., and the account of disbursements should contain all payments of costs, charges and expenses, or to creditors or contributories. Receipts derived from deposit accounts and money market deposits are to be included in the 'balance at bank'. Only actual investments are to be included in the 'amounts invested' section in the analysis of balance on page 5 of the form. Where property has been realised, the gross proceeds of sale must be entered under realisations and the necessary payments incidental to sales must be entered as disbursements. A payment into the Insolvency Account is not a disbursement and should not be shown as such; nor are payments into a bank, building society or other financial institution. However, the interest received on any investment should be shown in the realisations. Each receipt and payment must be entered in the account in such a way as sufficiently to explain its nature. The receipts and payments must severally be added up at the foot of each sheet and the totals carried forward from one account to another without any intermediate balance, so that the gross totals represent the total amounts received and paid by the liquidator respectively.

TRADING ACCOUNT

(2) When the liquidator carries on a business, a trading account must be forwarded as a distinct account, and the total of receipts and payments on the trading account must alone be set out in this statement

DIVIDENDS

(3) When dividends, instalments of composition, etc. are paid to creditors or a return of surplus assets is made to contributories, the total amount of each dividend, etc. actually paid, must be entered in the statement of disbursements as one sum; and the liquidator must forward separate accounts showing in lists the amount of the claim of each creditor, and the amount of dividend, etc. payable to each creditor or contributory.

(4) When unclaimed dividends, etc. are paid into the Insolvency Account, the total amount so paid in should be entered in the statement of disbursements as one sum. The items to be paid in relation to unclaimed dividends should first be included in the realisations side of the account.

(5) Credit should not be taken in the statement of disbursements for any amount in respect of liquidator's remuneration unless it has been duly allowed by resolutions of the liquidation committee or of the creditors or of the company in general meeting, or by order of the court as the case may require, or is otherwise allowable under the provisions of the Insolvency Rules (Northern Ireland) 1991.

under Article 162 of the Insolvency (Northern Ireland) Order 1989

under Article 162 of the Insolvency (Northern Ireland) Order 1989

NOTE: No balance should be shown on this account but only the total realisations and disbursements which should be carried forward to the next account.

NOTE: No balance should be shown on this account but only the total realisations and disbursements which should be carried forward to the next account.

LIQUIDATOR'S STATEMENT OF ACCOUNT

Form 4.69 Cont.

under Article 162 of the Insolvency (Northern Ireland) Order 1989

Disbursements			
Date	To whom paid	Nature of disbursements	Amount (£)
		Brought Forward	0.00
07/09/2023	BDO NI	Joint Liquidators Fees	5,000.00
07/09/2023	BDO NI	Joint Liquidators Expenses	750.00
07/09/2023	BDO NI	Bonding Costs	20.00
07/09/2023	BDO NI	Vat Receivable	1,154.00
Carried Forward			6,924.00

NOTE: No balance should be shown on this account but only the total realisations and disbursements which should be carried forward to the next account

Analysis of balance

Form 4.69 Cont.

Total realisations		£ 6,924.00
Total disbursements		6,924.00
	Balance £	0.00
The balance is made up as follows		
1. Cash in hands of liquidator		0.00
2. Balance at bank		0.00
3. Amount of Insolvency Account		0.00
4. Amounts invested by Liquidator	£ 0.00	
Less: The cost of investments realised	0.00	
Balance		0.00
5. Accrued Items		0.00
Total Balance as shown above		0.00

NOTE - Full details of stocks purchased for investment and any realisation of them should be given in a separate statement

The Liquidator should also state -

- The amount of the estimated assets and liabilities at the date of the commencement of the winding up.

	£
Assets (after deducting amounts charged to secured creditors including the holders of floating charges)	6,924.00
Liabilities - Fixed charge creditors	6,924.00
Floating charge holders	0.00
Preferential creditors	0.00
Unsecured creditors	0.00
- The total amount of the capital paid up at the date of the commencement of the winding up -

Paid up in cash	0.00
Issued as paid up otherwise than for cash	0.00
- The general description and estimated value of any outstanding assets (if there is insufficient space here, attach a separate sheet)

N/A
- Why the winding up cannot yet be concluded

N/A
- The period within which the winding up is expected to be completed

N/A



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The Metro Building
First Floor
6-9 Donegall Square South
Belfast
BT1 5JA

TO ALL KNOWN MEMBERS

30 January 2024
MJ/CD/MG

Dear Sir/Madam,

AON RISK SERVICES (NI) LIMITED - IN MEMBERS' VOLUNTARY LIQUIDATION (The "Company")

I refer to the above and write to advise that I am now in the position to conclude the Liquidation of the Company. Please be advised that a Final General Meeting of the Company has been convened pursuant to Article 80 of the Insolvency (Northern Ireland) Order 1989, formal notice of which is given below.

NOTICE IS HEREBY GIVEN, pursuant to Article 80 of the Insolvency (Northern Ireland) Order 1989, that a Final General Meeting of Aon Risk Services (NI) Limited - In Liquidation will be held on **Friday 1 March 2024** at 11:00am.

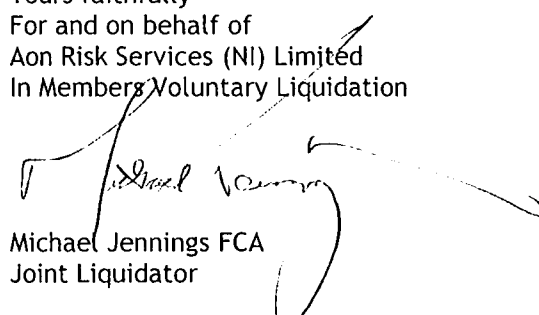
Members may appoint a proxy to attend and vote in their place at the meeting; a proxy holder need not be a member. A proxy form is enclosed, which must be lodged at my office at BDO NI, Metro Building, 1st Floor, 6-9 Donegall Square South, Belfast, BT1 5JA or via email to Michele.Goan@bdoni.com no later than 12 noon on Thursday 29 February 2024.

Please be advised that the meeting is a formality and a report similar to this will be presented. I would be grateful if you could please notify my office in advance should you wish to attend.

I trust the above is in order. Should you have any queries or require any further information, please do not hesitate to contact Michele Goan (Michele.Goan@bdoni.com) of this office.

Yours faithfully

For and on behalf of
Aon Risk Services (NI) Limited
In Members' Voluntary Liquidation



Michael Jennings FCA
Joint Liquidator

Michael Jennings is authorised by Chartered Accountants Ireland to act as an Insolvency Practitioner.

The officeholder is bound by the Insolvency Practitioner Code of Ethics when carrying out all professional work relating to this appointment. A copy of the code is at: [Insolvency practitioner code of ethics - GOV.UK \(www.gov.uk\)](http://www.gov.uk).

Enc.

PROXY (Members' Voluntary Winding Up)**In the matter of AON RISK SERVICES (NI) Limited****and in the matter of The Insolvency (Northern Ireland) Order 1989****Notes to help
completion of the form**Please give full name &
address for
communicationName of
Member _____Address _____
_____Please insert name of
person (who must be 18)
or the "chairman of the
meeting" (see note
below). If you wish to
provide for alternative
proxy holders in the
circumstances that your
first choice is unable to
attend, please state the
name(s) of the
alternatives as well

Name of proxy-holder

1 _____

2 _____

3 _____

Please delete words in
brackets if the proxy
holder is only to vote as
directed, ie he has no
discretionPlease delete words in
brackets if the proxy-
holder is only to vote as
directed; ie he has no
discretion

I appoint the above person to be my/the members proxy holder on Friday 1 March 2024 at 11.00am, or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion).

Voting Instruction for resolutions

1. The approval of the Joint Liquidators' Final Report;

For/ Against

2. That the Joint Liquidators be authorised to dispose of the Company's books and records one year after the dissolution of the Company; and

For/ Against

3. That Michael Jennings and Brian Murphy be released as Liquidators of the Company

For/ AgainstAny other resolutions
which the proxy-holder is
to propose or vote in
favour of or against
should be set out in the
space provided. If more
room is required, please
use the other side of this
form**This form must be
signed**

Signature _____ Date _____

Name(s) in CAPITAL LETTERS

_____Only to be completed if
the member has not
signed in personPosition with member or relationship to member or other authority for signature.

TO ALL KNOWN MEMBERS

30 January 2024
MJ/CD/MG

Dear Sir/Madam,

AON Risk Services (NI) Limited - IN MEMBERS' VOLUNTARY LIQUIDATION (The 'Company')

Further to my appointment as Joint Liquidator of the Company on 6 September 2023, I am pleased to report that the Liquidation is now for practical purposes complete.

A summary of my Receipts and Payments from appointment date to 30 January 2024 has been included at **Appendix I**. The attached Receipts and Payments are largely self-explanatory; however, I would comment specifically on the following:

1. RECEIPTS

In order to meet the costs of Liquidation, funds of £6,924 were provided by AON UK Limited; the shareholder of AON Risk Services NI Limited.

2. PAYMENTS

2.1 JOINT LIQUIDATORS' FEES AND DISBURSEMENTS

The sum of £5,000 plus VAT has been paid in respect of remuneration of the Joint Liquidators.

A further £770 plus VAT was drawn in respect of Liquidators disbursements including statutory advertising and bonding costs. Further information regarding Liquidators Fees and disbursements is included in **Section 4**.

3. ASSET REALISATION

There were no assets within the Liquidation as the company had been fully wound down prior to Liquidation and had been dormant for period of time.

4. JOINT LIQUIDATORS' REMUNERATION

The total time costs incurred by the Liquidator and his staff as of 30 January 2024 is £10,861.75 representing 72.95 hours, at an average rate of £148.89 per hour. Further detail is provided within the schedule at **Appendix II**, which contains a breakdown of time costs per grade of staff and activity type for the period under review analysed in SIP 9 format.

The Joint Liquidators' remuneration was approved by the Company's Member on a time cost basis at the General Meeting of Members held on 6 September 2023, capped at £5,000 plus VAT, which have been paid in full.

Noting that no further time costs will be recovered in this case, I would confirm that remaining time costs totalling £5,861 will be written off.

Details of the requirements followed by the appointment holders can be found in Statement of Insolvency Practice 9 (Northern Ireland) "Payments to the Insolvency Holders & their Associates" available at www.r3.org.uk/technical-library/northern-ireland/sips/more/29169/page/1/sip-9-remuneration-of-insolvency-officeholders/. A hard copy can be provided on request.

A 'Guide to Liquidators Fees' has been enclosed at **Appendix III** for your guidance.

5. LIQUIDATORS' DISBURSEMENTS

BDO Northern Ireland incurred disbursement costs of £770 plus VAT in relation to statutory advertising and bonding costs which have been raised and paid directly by the Company. These disbursements were approved by the Members at the General Meeting held on 6 September 2023.

Some office holders recharge expenses for example postage, stationery, photocopying charges, telephone and fax costs, which cannot economically be recorded in respect of each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors, before they can be drawn, and these are known as category 2 expenses. The policy of BDO Northern Ireland is not to charge any category 2 expenses.

6. GENERAL DATA PROTECTION REGULATIONS

This report is addressed to 'all known members'. Some of the members receiving this report may be personal members. Pursuant to the provision of the General Data Protection Regulation we are providing any such personal members with the following required information. This report requests specific information from you so that we may carry out our statutory duties under the Insolvency Order (Northern Ireland) 1989 (as Amended). The data you provide us with may be shared with other members of the Company, the Insolvency Service, the Registrar of Companies, the High Courts of Justice and our legal advisors. We may also use some of the data that you provide to assess your entitlement to any dividend, should one become payable.

The BDO Northern Ireland Privacy Officer is Catherine Roy and she is contactable at The Metro Building, 1st Floor, 6-9 Donegall Square South, Belfast, BT1 5JA. We are acting as the data controller. We will store the data requested for a period of 6 years after our appointment ceases. You have the right to access and rectify the data which we hold. You have the right to lodge a complaint with the Data Protection Commissioner. Full details of our privacy policy may be viewed on our website at <https://www.bdoni.com/en-gb/legal-privacy/privacy-statement>

BDO Northern Ireland use personal information in order to fulfil the legal obligations of our Insolvency Practitioners under the Insolvency Order (Northern Ireland) 1989 (as Amended) and other relevant legislation, and also to fulfil the legitimate interests of keeping members, creditors and other stakeholders informed about the insolvency proceedings. You can find more information on how BDO Northern Ireland use your personal information on our website at <https://www.bdoni.com/en-gb/home>.

7. COMPLAINTS PROCEDURE

At BDO Northern Ireland we seek to ensure that all insolvency appointments are conducted with the highest standard of professionalism, integrity, objectivity, professional competence and confidentiality. We do understand, however, especially given the nature of insolvency proceedings, that disputes, complaints or matters of dissatisfaction may arise. Complaints can very often arise out of a misunderstanding or miscommunication and therefore should you have any matters of concern or complaint we would encourage you to contact this office where your complaint can be addressed and hopefully fully resolved.

Should any complaint subsequently remain unaddressed or inadequately resolved, we would direct you to the Complaints Gateway either by post at 'The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA; by email at: ip.complaints@insolvency.gsi.gov.uk; or by telephone on: 0845 602 9848.

The Gateway is run by the Insolvency Service and is a single-entry point for complaints made about Insolvency Practitioners. Should the Gateway staff consider that a complaint merits further consideration, they will pass it to the Chartered Accountants Ireland, being the authorising body of Brian Murphy and Michael Jennings.

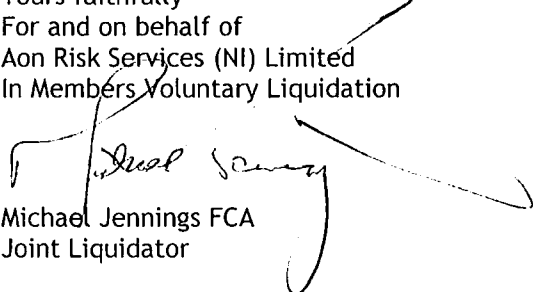
The joint office-holders are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this appointment. A copy of the code is at: https://www.charteredaccountants.ie/docs/default-source/technical-documents/ethics/code-of-ethics---december-2020.pdf?sfvrsn=e828ae7c_2

8. CONCLUSION

Following the final meeting of members which has been convened for **Friday 1 March 2024**, the Joint Liquidator shall submit his final statutory returns to Companies House and the Liquidation shall be complete. The Company shall subsequently be dissolved within the following three-month period.

I trust the above is in order. If you have any queries or require any further information regarding the above, please do not hesitate to contact Michele Goan (Michele.Goan@bdoni.com) of this office.

Yours faithfully
For and on behalf of
Aon Risk Services (NI) Limited
In Members Voluntary Liquidation


Michael Jennings FCA
Joint Liquidator

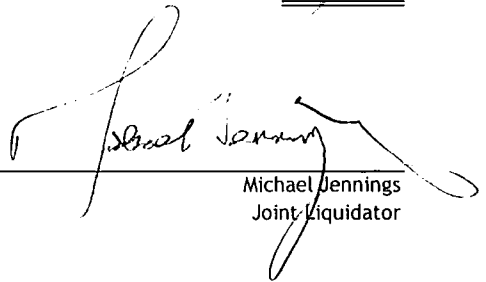
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The officeholder is bound by the Insolvency Practitioner Code of Ethics when carrying out all professional work relating to this appointment. A copy of the code is at: Insolvency practitioner code of ethics - GOV.UK (www.gov.uk).

Enc.

Aon Risk Services (NI) Limited
(In Liquidation)
JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Declaration of Solvency £	From 06/09/2023 To 30/01/2024	From 06/09/2023 To 30/01/2024 £ £
RECEIPTS			
Funds provided by Associated Company	-	6,924.00	6,924.00
	-	6,924.00	6,924.00
PAYMENTS			
Joint Liquidators Fees		5,000.00	5,000.00
Joint Liquidators Expenses		770.00	770.00
VAT paid		1,154.00	1,154.00
		6,924.00	6,924.00
Balance - 30 January 2024			-



Michael Jennings
Joint Liquidator

Aon Risk Services (NI) Limited - In Members Voluntary Liquidation

Summary of Time Spent for the Period from 06/09/23 - 30/01/2024

DESCRIPTION	PARTNER		DIRECTOR/MANAGER		ASSISTANT MANAGER		ADMINISTRATOR		GRAND TOTAL INCURRED TO DATE	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
A. Pre Appointment Matters	1.00	360.00	12.50	2,250.00	-	-	6.00	540.00	19.50	3,150.00
B. Steps On Appointment	2.50	900.00	8.20	1,548.00	-	-	3.50	315.00	14.20	2,763.00
C. Planning & Strategy	-	-	1.25	225.00	5.50	715.00	1.50	135.00	8.25	1,075.00
D. General Administration	-	-	4.25	795.00	3.50	455.00	4.75	328.75	12.50	1,578.75
E. Reporting	-	-	1.00	180.00	2.50	325.00	4.50	345.00	8.00	850.00
F. Distribution and Closure	-	-	3.00	690.00	2.00	260.00	5.50	495.00	10.50	1,445.00
	3.50	1,260.00	30.20	5,688.00	13.50	1,755.00	25.75	2,158.75	72.95	10,861.75
Average Rate		360.00		188.34		130.00		83.83		148.89

Across all categories time has been recorded in 6 minute intervals and the maximum hourly rates for each level of staff are as follows

- Partner	£360
- Director	£240
- Senior Manager	£200
- Manager	£180
- Assistant Manager	£130
- Administrators	£40-£90

A. The time spent on pre-appointment matters includes the following:

- Conflict Searches and completion of independence documentation;
- Assistance to Directors in calling of meetings
- Preparation of appointment documents;
- Prepare Declaration of Solvency ;
- Prepare Special and Ordinary Resolutions ;
- Send notification to HMRC and Company Advisors ;
- Review the affairs of the Company ; and
- Run search for any past or present pension schemes.

B. The time spent on steps on appointment includes the following:

- Complete Client Due Diligence Procedures and update Risk Assessment forms;
- Initial correspondence with bank and other relevant parties;
- Statutory advertising;
- Bonding & Insurance; and
- Statutory Reporting filed at Companies House & Court.

C. The time spent on planning and strategy includes the following:

- Case Reviews; and
- Strategy Planning.

D. The time spent on General Administration includes the following:

- Receipts and Payments Accounts;
- Preparing Case Reviews, IP Case Records, Checklists;
- Maintaining monthly bank reconciliations;
- Corresponding with HMRC;
- Specific Insurance matters; and
- General administration and correspondence.

E. The time spent on reporting includes reports to:

- Notice of Appointment to all known members; and
- Formal reports and communication with members.

F. The time spent on Distribution & Closure includes:

- Final Review as part of closure duties;
- Prepare Final progress report with SIP 9 and R&P; and
- Call Final Meeting issuing final statutory R&P to co.House with Final Returns to trigger dissolution.

LIQUIDATION: A GUIDE FOR CREDITORS ON INSOLVENCY PRACTITIONER FEES

NORTHERN IRELAND

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 (often abbreviated to 'MVL'). It should be noted that this guide does not extend to MVLs, 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 most 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 they need 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 Rule 4.134 of the Insolvency Rules (Northern Ireland) 1991. This Rule states that the basis of fees must be fixed either:

- a) as a percentage of the value of the assets which are realised or distributed, or of the one value and the other in combination, or
- b) by reference to the time properly given by the liquidator and his staff in attending to matters arising in the winding up.

- 4.1.2 Where the Liquidator's remuneration is not fixed in accordance with Rule 4.134, the Liquidator shall be entitled by way of remuneration for his services, in accordance with Rule 4.134A of the Insolvency (Amendment) Rules (Northern Ireland) 2006, to such sum as is arrived at by:

- a) first applying the realisation scale, set out in Schedule 4 of the Insolvency (Amendment) Rules (Northern Ireland) 2006, to the monies received by him from the realisation of the assets of the company (including any Value Added Tax thereon but after deducting any sums paid to secured creditors in respect of their securities and any sums spent out of money received in carrying on the business of the company); and
- b) then by adding to the sum arrived at above, such sum as is arrived at by applying the distribution scale, set out in Schedule 4 of the Insolvency (Amendment) Rules (Northern Ireland) 2006, to the value of the assets distributed to creditors of the company (including payments made in respect of preferential debts) and to contributories.

- 4.1.3 Payments to a liquidator from a liquidation should be fair and reasonable reflections of the work necessarily and properly undertaken in respect of the liquidator's appointment. These payments should not be approved by any party with whom the liquidator has a professional or personal relationship which gives rise to a conflict of interest. Those responsible for approving payments from a liquidation to a liquidator or their associates should be provided with sufficient information to enable them to make an informed judgement about the reasonableness of the liquidator's requests.

- 4.1.4 Information provided by the liquidator should be presented in a manner which is transparent, consistent throughout the life of the appointment and useful to creditors and other interested parties, whilst being proportionate to the circumstances of the appointment.

4.2 Advance Information Where Fees Not Based On Time Costs

- 4.2.1 Prior to the determination of the basis of fees, the liquidator must provide the creditors with details of the work the liquidator proposes to undertake, and the expenses they consider will be, or are likely to be, incurred.

4.3 Fee Estimates where Fees To Be Based On Time Costs

4.3.1 Where the liquidator proposes to take fees based on time costs for an appointment after 1 April 2021, they 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 their staff propose to undertake;
- The hourly rate or rates the liquidator and their 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 When providing a fee estimate, the Liquidator should supply that information in sufficient time for creditors (including when acting through a committee) to be able to make an informed judgement about the reasonableness of the liquidator's requests. Fees estimates should be based on all of the information available to the liquidator at the time that the estimate is provided.

4.3.3 In addition, the liquidator must give the creditors details of the expenses they consider 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 the remuneration is to be fixed. Where it is fixed as a percentage, it is for the committee to determine the percentage to be applied. Rule 4.134 says that in arriving at its determination the committee shall have regard to the following matters:

- a) the complexity (or otherwise) of the case;
- b) any respects in which, in connection with the winding up, there falls on the liquidator any responsibility of an exceptional kind or degree;
- c) the effectiveness with which the liquidator appears to be carrying out, or to have carried out, his duties;
- d) the value and nature of the assets 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 resolution of a meeting of creditors. The creditors take account of the same matters as apply in the case of the committee. A resolution specifying the terms on which the liquidator is to be remunerated may be taken at the meeting which appoints the liquidator where a fee estimate has been provided to the meeting.

4.4.3 Liquidator's remuneration can also be fixed by Court upon application by the liquidator, but the liquidator may not make such an application unless they have first tried to get their fees fixed by the committee or creditors as described above.

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 the fees 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 The Liquidator should provide an indication of the likely return to creditors when seeking approval for the basis of their remuneration.
- 6.1.3 The liquidator should disclose:
- a) all payments arising from the insolvency appointment to the liquidator or their associates; and
 - b) the form and nature of any professional or personal relationships between the liquidator and their associates.
- 6.1.4 The liquidator should inform creditors and other interested parties 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. An insolvency practitioner may provide information, including a fee estimate, within pre-appointment communications (such as when assisting directors in commencing a liquidation).
- 6.1.5 Where the liquidator sub-contracts work that could otherwise be carried out by the liquidator or their staff, this should be drawn to the attention of creditors and other interested parties with an explanation of why it is being done, what is being done, and how much it will cost.

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 payment for that work;
 - whether it is anticipated that the work will provide a financial benefit to creditors, and if so what anticipated 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 payment for the work, 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).

6.2.2 When providing information about payments from the liquidation, the liquidator should do so in a way which clearly explains the key issues. Narrative explanations should be provided to support any numerical information supplied. Such an approach allows creditors and other interested parties to better recognise the nature of a liquidator's role and the work they intend to undertake or have undertaken in accordance with the key issues.

6.2.3 When approval for 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. Where a percentage basis is being used, an explanation should be provided of the direct costs included. The liquidator should not seek to separately recover sums already included in a percentage basis fee and should be transparent in presenting any information.

6.3 Fee Estimates

6.3.1 When providing a fees estimate of time to be spent, creditors and other interested parties may find a blended rate (or rates) and total hours anticipated to be spent on each part of the anticipated work more easily understandable and comparable than detail covering each grade or person working on the appointment. The estimate should also clearly describe what activities are anticipated to be conducted in respect of the estimated fee.

6.3.2 The information provided in the fees estimate may not be presented on the basis of alternative scenarios or provide a range of estimated charges. However, for other payments that the liquidator anticipates will be, or are likely to be, made, it is acceptable to provide a range or repeat a range quoted by a third party, for example legal costs in litigation in any expense estimates.

6.4 Expenses

6.4.1 Expenses are any payments from the liquidation which are neither a liquidator's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements. Disbursements are payments which are first met by the liquidator, and then reimbursed to the liquidator from the liquidation.

6.4.2 Expenses are divided into those that do not need approval before they are charged to the liquidation (category 1) and those that do (category 2).

- Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not an associate of the liquidator. Category 1 expenses can be paid without prior approval.
- Category 2 expenses: These are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as a liquidator's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.

6.4.3 When seeking approval of category 2 expenses, the liquidator should explain, for each expense, the basis on which the expense is being charged to the liquidation. If the liquidator has obtained approval for the basis of category 2 expenses, that basis may continue to be used in a sequential appointment where further approval of the basis of remuneration is not required, or where the liquidator is replaced.

6.4.4 Any shared or allocated payments incurred by the liquidator or their firm are to be treated as category 2 expenses and approval sought before payment.

6.4.5 The following are not permissible as either remuneration or an expense:

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

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 liquidation, as an expense of the liquidation:

- any reasonable and necessary expenses of preparing the statement of affairs
- any reasonable and necessary expenses of calling a creditors meeting to seek a decision from the creditors on the nomination of a 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), they should disclose the amount of that remuneration in any reports they send 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 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;
- if the fees have been fixed on a time costs basis, the actual hours and average rate (or rates) of the costs charged for each part of the work;
- 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 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' right to challenge the Liquidator's fees and expenses, as explained in Rule 4.138.

9. What if a creditor is dissatisfied?

9.1 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, the creditor may, provided certain conditions are met, apply to the court.

9.2 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 25 percent in value of unsecured creditors (including themselves) agree, or they have the permission of the Court. 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.

- 9.3 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. What if the liquidator is dissatisfied?

- 10.1 If the liquidator considers that the fee fixed by the liquidation committee, or in the preceding administration, is insufficient or that the basis used to fix it is inappropriate, the liquidator may request that the amount or rate be increased, or the basis changed, by decision of the creditors. If the liquidator considers that the fees fixed by the liquidation committee or the creditors, or in the preceding administration or in accordance with the statutory scale is insufficient, or that the basis used to fix it is inappropriate, they 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, they 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 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 fees

- 11.1 Where the liquidator realises assets on behalf of a secured creditor, the liquidator 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 their 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 fee payable should be apportioned. Any dispute between them may be referred to the Court, the committee or the creditors.
- 11.3 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.
- 11.4 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.
- 11.5 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 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.
- 11.6 Where realisations are sufficient for creditors to be paid in full with interest, the creditors will not have the principal financial interest in the level of payments from the estate. Once this has been

established by the liquidator, they should provide the beneficiaries of the anticipated surplus, on request, with information in accordance with the principles and standards set out above.

12. Effective date

12.1 This guide applies where a liquidator is appointed or in office on or after 1 April 2021.

12.2 *Please note that insolvency practitioners were subject to different regulatory requirements prior to 1 April 2021. Therefore, information provided by insolvency practitioner prior to that date may vary slightly to the information required as set out in this guide.*