

LIQ03

Notice of progress report in voluntary winding up



Companies House

TUESDAY



A6AGCDDM

A22 11/07/2017 #328
COMPANIES HOUSE

A34 29/06/2017 #322
COMPANIES HOUSE

1 Company details

Company number 1 4 6 6 7 3 9

Company name in full TURNER CONSTRUCTION (MIDLANDS) LIMITED

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) EILEEN THERESA FRANCES

Surname SALE

3 Liquidator's address

Building name/number SALE SMITH & CO LIMITED

Street INDUCTA HOUSE

FRYERS ROAD

Post town BLOXWICH, WALSALL

County/Region WEST MIDLANDS

Postcode W S 2 7 L Z

Country

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

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

1

d

2

m

0

m

4

y

2

y

0

y

1

y

6

To date

d

1

d

1

m

0

m

4

y

2

y

0

y

1

y

7

7

Progress report

☒ The progress report is attached

8

Sign and date

Liquidator's signature

Signature

X

Alan M. Sale

X

Signature date

d

0

d

2

m

0

m

6

y

2

y

0

y

1

y

7

TURNER CONSTRUCTION (MIDLANDS) LIMITED
(IN CREDITORS VOLUNTARY LIQUIDATION)

SUMMARY OF THE LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD 12TH APRIL 2016 TO 11TH APRIL 2017

As per Statement of Affairs £	<u>RECEIPTS</u>	See Note	£
9,699	Book Debts	(2)	4,506.23
34,822	Balance at Bank	(3)	12,160.95
1,000	Stock	(4)	1,000.00
120	Cash in Hand	(5)	120.00
	Sundry Credit Refund		5,191.24
	VAT Output		200.00
	VAT Refund		3,416.56
<hr/>			
£45,641			£26,594.98
<hr/>			
<u>PAYMENTS</u>			
	Statutory Advertising		392.19
	Company Search Fee		5.00
	Insolvency Bond		343.00
	Oath Fee		20.00
	Debt Collection Fees		546.38
	Liquidator's Disbursements	(13)	372.51
	Liquidator's Remuneration	(14)	20,209.25
	Input VAT		4,275.89
<hr/>			
			26,164.22
	Balance in Hand		430.76
<hr/>			
			£26,594.98
<hr/>			

Eileen T F Sale FIPA
Liquidator
2nd June 2017

TURNER CONSTRUCTION (MIDLANDS) LIMITED
(IN CREDITORS VOLUNTARY LIQUIDATION)

**NOTES TO BE READ IN CONJUNCTION WITH THE LIQUIDATOR'S
RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD
12TH APRIL 2016 TO 11TH APRIL 2017**

1. Receipts & Payments Account: I enclose my first annual progress report to creditors together with a summary of my Receipts & Payments Account in this matter for the period 12th April 2016 to 11th April 2017.
2. Book Debts: The collection of the company's book debts has proved satisfactory although several disputes were made known following appointment.
3. Balance at Bank: This represents the credit balance held in the company's Bank account held with HSBC Bank Plc after deducting the outstanding loan account, at the cessation of trading.
4. Stock: This represents sundry scaffolding, acro poles etc., all of which have been valued by the director for the purposes of the Statement of Affairs and subsequently sold by private treaty.
5. Cash in Hand: This represents debtor receipts received in the company's redirected mail prior to our appointment.
6. SIP 13 Disclosure: In accordance with Statement of Insolvency Practice 13 ("SIP 13"), the Office Holder is required to disclose to creditors the details of any asset sold by the Liquidator to connected parties.

I can confirm that there have been no such sales to connected parties during the course of my administration of the company's affairs.

7. Preferential Creditors: Crown Preference in relation to VAT and PAYE was abolished in 2003 and consequently, in the majority of cases, preferential creditors relate to certain liabilities in respect of unpaid wages, holiday pay and pension contributions.

<u>Creditor</u>	<u>Per Statement of Affairs</u> £	<u>Claim Received</u> £
Wages & Holiday Pay	9,553	6,805.69
	<u>£9,553</u>	<u>£6,805.69</u>

8. Floating Charge Creditors: The following claims have been received to date: -

<u>Creditor</u>	<u>Per Statement of Affairs</u> £	<u>Claim Received</u> £
Midland Bank Plc	17,000	-
	<u>£17,000</u>	<u>£Nil</u>

9. Non-Preferential Creditors: Certain creditors' claims remain outstanding, however, the following claims have been received to date: -

<u>Creditor</u>	<u>Per Statement of Affairs</u>	<u>Claim Received</u>
	£	£
Trade & Expense	201,413	145,100.89
HM Revenue & Customs (PAYE/NIC/CIS/VAT)	16,000	61,973.70
Director's Loan Account	34,126	-
Redundancy AND Payment in Lieu	60,293	45,701.11
Additional Claims	-	27,732.79
	<u>£311,832</u>	<u>£280,508.49</u>

Please note that these figures are indicative only and should not be used as the sole or principal basis for any bad debt provision or other purposes. Further non-preferential creditors' received claims may subsequently cause revision, increase and/or additional costs.

10. Prescribed Part: The 'Prescribed Part' is a statutory amount, calculated as a percentage of net floating charge realisations, which entitles unsecured creditors to a share of realisations. This is calculated on a sliding scale up to maximum of £600,000 before costs.

Based on present information, there will be insufficient realisations to discharge in full all costs and preferential creditors. Therefore, there will be no net property from which to deduct a prescribed part.

11. Investigative Matters: At the S.98 meeting of creditors, various matters were discussed for consideration/investigation by the Liquidator including the possibility of a preference claim against any creditor, reviewing the financial transactions on the company's Bank Statements for any unusual expenditure and that no new contracts were undertaken.

A review of all the company's Bank Statements showed there was no excessive personal expenditure 12 months prior to the winding up proceedings. An analysis of the aged creditors indicated no preference were given to any particular creditors also having reviewed the records no contracts were indeed undertaken after December 2015.

12. Company Directors' Disqualification Act: In accordance with my statutory duty, appropriate Conduct Reports have been forwarded to the appropriate Government Department in respect of the directors' handling of the affairs of the company.

The content of my report is confidential and may not be disclosed but I can confirm, following my initial assessment, no further investigations were considered necessary. However, the Department can always reconsider this matter if any additional information comes to light before the end of the statutory two years limit.

13. Expenses and Disbursements: The disbursements that have been incurred and not yet paid during the period are detailed on the attached schedule. Also included is a comparison of the cumulative expenses incurred during the Liquidation.

Creditors' approval is not required for necessary external disbursements paid to independent third parties as disclosed. Payments made in respect of the above are defined as "Category 1 disbursements". Category 1 disbursements incurred in this case total £818.52, of which £760.19 has been paid since my appointment, as disclosed on the attached schedule.

With effect from 1st January 2003, a Liquidator must obtain creditors' approval to draw her firm's internal disbursements, costs and expenses in dealing with an estate, including, as appropriate, printing, photocopying, facsimile, document storage, registered office fee and telephone charges. Payments in respect of this type of expense are referred to as "Category 2 disbursements". Category 2 disbursements incurred in this case total £693.11, of which £372.51 has been paid since the date of my appointment, as disclosed on the attached schedule.

14. Liquidator's Remuneration: At the first meeting of creditors a resolution was passed approving that my remuneration as Liquidator should be on a mixture of a percentage of realisations and my firm's time costs, and may be drawn on account as and when required.

The time costs for the year under review are £26,482.65, representing 117.50 hours at an average hourly rate of £225.38. To date my firm has been paid on account of these time costs the sum of £20,209.25, in connection with the statutory administrative and investigative duties undertaken to date. These duties include, but are not limited to, statutory and investigative matters, dealing with debtors, creditors and customers queries, Crown Department enquiries and returns, research and reporting etc. In this respect, it has not been necessary during the course of the liquidation to seek further approval to increase the estimates.

I am required to provide creditors with details relating to those time costs incurred during the period 12th April 2016 to 11th April 2017. This is analysed on the attached schedule, together with a breakdown of my current charge-out rates. There has been no increase in the charge out rates during the Liquidation.

The Liquidator has not utilised the services of any sub-contractors on the administration of this case.

A copy of the R3 guidelines in respect of Insolvency Practitioners' fees relating to creditors' voluntary liquidations is enclosed. Further information about this insolvency process may be found on the R3 website at <http://www.Creditorinsolvencyguide.co.uk/>.

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

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

16. Dividend Prospects: Without prejudice to the final outcome of the matters relating to my administration of the winding up proceedings and, based on information to date, I regret to advise that there is no likelihood of a distribution to any class of creditor in this matter.

TURNER CONSTRUCTION (MIDLANDS) LIMITED
(IN CREDITORS VOLUNTARY LIQUIDATION)

Summary of category 2 disbursements incurred to 11th April 2017

Type and purpose	Amount incurred in reporting period (£)	Amount drawn in reporting period (£)
Storage of Company Records (4 boxes)	320.00	
Travel Expenses	15.30	15.30
Postage, Stationery & Printing	357.81	357.21
Total	£693.11	£372.51

The storage of company's books and records are at the Insolvency Practitioner's own storage facility. The books and records will be stored in banker's boxes and a storage fee will be charged at the rate of £10 per box per quarter (13 weeks). This charge covers the transportation of records from the company's premises, storage retrieval of books and records in storage for administration purposes and the destruction of such books and records on the first anniversary of completion of the Insolvency administration.

Travelling by motor vehicle on business for the administration of the Insolvency will be charged to the estate per mile at the appropriate rate currently published by the "AA" for the type of vehicle and engine size used.

All circulars will be sent out by second class post and the actual postage cost will be charged as an expense to the estate. In respect of circulars, stationery is charged at 10p per copy paper or facsimile.

Summary of category 1 disbursements incurred to 11th April 2017

Type and purpose	Amount incurred in reporting period (£)	Amount drawn in reporting period (£)
Statutory Advertising	392.19	392.19
Insolvency Bond	343.00	343.00
Company Search Fee	5.00	5.00
Meeting Room Hire (External)	58.33	
Oath Fee	20.00	20.00
Total	£818.52	£760.19

TURNER CONSTRUCTION (MIDLANDS) LIMITED
(IN CREDITORS VOLUNTARY LIQUIDATION)

Summary of time spent for period 12th April 2016 to 11th April 2017

Classification Of work	Partner	Case Manager	Senior Admin	Support Staff	Total Hours	Time Cost £	Average Rate £/h £
Administration And planning	8.00	4.50	14.70	8.90	36.10	6,767.59	187.47
Investigations	2.30	9.00	1.00		12.30	3,286.34	267.18
Realisation Of Assets	12.60		13.50		26.10	6,291.26	241.04
Trading							
Creditors	14.10	0.30	12.70	13.50	40.60	7,934.90	195.44
Case specific matters	14.00	7.00	14.00	3.50	38.50	8,970.15	232.99
Total hours	43.00	16.30	41.20	17.00	117.50	26,482.65	225.38
Total fees claimed						£20,209.25	171.99

Chargeout rates: -

Partner	£351.45
Case Manager	£260.00
Senior Administrators	£138.00
Support Staff/ Clerical	£85.10

Classification of Duties

Brief Summary

Administration and planning

Pre-appointment – initial advice on an informal basis,
Interviews with director(s) in connection with instructions.
Assistance with the preparation of the Statement of
Affairs, preparation for first creditors' meetings

Investigations

Post-appointment – interviews with director(s). Reviewing
books & records/ disqualification and investigation matters.
Completing CDDA reports.

Realisation of assets

Identifying any known assets. Bank reconciliation/ receipts
and payments account. Debt collection

Trading

N/A

Creditors/ Employees

Trade creditors correspondence and schedules, ERA matters,
HMRC correspondence/ enquires.

Case Specific

Attendance at creditors/director(s) meetings, preparation of
creditors' meeting reports. Statutory reporting/ returns.
General case administration and dealing with
correspondence.

ENGLAND AND WALES

Introduction

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.

Liquidation procedure

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 Voluntary liquidation is the more common of the two. An insolvent voluntary liquidation is called a creditors' voluntary liquidation (often abbreviated to 'CVL'). In this type of liquidation an insolvency practitioner acts as liquidator throughout and the creditors can vote on the appointment of the liquidator at the first meeting of creditors.

3 In a compulsory liquidation on the other hand, the function of liquidator is, in most cases, initially performed not by an insolvency practitioner but by an official called the official receiver. The official receiver is an officer of the court and an official belonging to The Insolvency Service. In most compulsory liquidations, the official receiver becomes liquidator immediately on the making of the winding-up order. Where there are significant assets an insolvency practitioner will usually be appointed to act as liquidator in place of the official receiver, either at a meeting of creditors convened for the purpose or directly by The Insolvency Service on behalf of the Secretary of State. Where an insolvency practitioner is not appointed the official receiver remains liquidator.

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.

The liquidation committee

1 In a liquidation (whether voluntary or compulsory) the creditors have the right to appoint a committee called the liquidation committee, with a minimum of 3 and a maximum of 5 members, to monitor the conduct of the liquidation and approve the liquidator's fees. The committee is usually established at

the creditors' meeting which appoints the liquidator, but in cases where 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 (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

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

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

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

4.2. Advance information where remuneration not based on time costs

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

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

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

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

4.5 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 the creditors. The creditors take account of the same matters as apply in the case of the committee. A resolution specifying the terms on which the liquidator is to be remunerated may be taken at the meeting which appoints the liquidator.

4.6 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.

4.7 Where the liquidation follows directly on from an administration in which the liquidator had acted as administrator, the basis of remuneration fixed in the administration continues to apply in the liquidation (subject to paragraph 8 below).

5. Review of remuneration

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

The request must be made to the same body as initially approved the remuneration, and the same rules apply as to the original approval.

6 What information should be provided by the liquidator?

6.1 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 The liquidator should disclose:

- payments, remuneration and expenses arising from the administration 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.

6.1.3 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.

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 Realisations for secured creditors

Where the liquidator realises an asset on behalf of a secured creditor and receives

remuneration out of the proceeds (see paragraph 11.1 below), he should disclose the amount of that remuneration to the committee (if there is one), to any meeting of creditors convened for the purpose of determining his fees, and in any reports he sends to creditors.

7. Exceeding the amount set out in the fees estimate

Remuneration must not exceed 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 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;
- 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.

3.2 Within 21 days of receipt of a progress report (or 7 business days where the report has been prepared for the purposes of a meeting to receive the liquidator's resignation) a creditor may request the liquidator to provide further information about the remuneration and expenses set out in the report. A request must be in writing, and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court.

3.3 The liquidator must provide the requested information within 14 days, unless he considers that:

- the time and cost involved in preparing the information would be excessive, or

- disclosure would be prejudicial to the conduct of the liquidation or might be expected to lead to violence against any person, or

- the liquidator is subject to an obligation of confidentiality in relation to the information requested, in which case he must give the reasons for not providing the information.

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

Provision of information – additional requirements

The liquidator must provide certain information about the time spent on the case, free of charge, upon request by any creditor, director or shareholder of the company. The information which must be provided is –

- the total number of hours spent on the case by the liquidator or staff assigned to the case;

- for each grade of staff, the average hourly rate at which they are charged out;

- the number of hours spent by each grade of staff in the relevant period.

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the liquidator's appointment, or where he has vacated office, the date that he vacated office.

The information must be provided within 28 days of receipt of the request by the liquidator, and requests must be made within two years from vacation of office.

11 What if a creditor is dissatisfied?

11.1 Except in cases where there is a liquidation committee it is the creditors as a body who have authority to approve the liquidator's fees. To enable them to carry out this function they may require the liquidator to call a creditors' meeting. In order to do this at least ten per cent in value of the creditors must concur with the request, which must be made to the liquidator in writing

11.2 If a creditor believes that the liquidator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the liquidator are in all the circumstances excessive

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

10.3 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the liquidator's progress report in which the charging of the 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.

10.4 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.

11. What if the liquidator is dissatisfied?

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

12 Other matters relating to remuneration

12.1 Where the liquidator realises assets on behalf of a secured creditor he is entitled to be remunerated out of the proceeds of sale in accordance with a scale set out in the Rules. Usually, however, the liquidator will agree the basis of his fee for dealing with charged assets with the secured creditor concerned.

12.2 Where two (or more) joint liquidators are appointed it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute between them may be referred to the court,

the committee or a meeting of creditors.

12.3 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.

12.4 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.

12.5 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.

12.6 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.

13. Effective date

This guide applies where a company goes into liquidation on or after 1 October 2015.

Appendix

Suggested format for the provision of information

Professional guidance issued to insolvency practitioners sets out the following suggested format for the provision of information when seeking approval of remuneration. However, the level of disclosure suggested below may not be appropriate in all cases, and will be subject to considerations of proportionality. In larger or more complex cases the circumstances of each case may dictate the information provided and its format.

Narrative overview of the case

In all cases, reports on remuneration should provide a narrative overview of the case. Matters relevant to an overview are:

- the complexity of the case;
- any exceptional responsibility falling on the liquidator;
- the liquidator's effectiveness;
- the value and nature of the property in question.

The information provided will depend upon the basis or bases being sought or reported upon, and the stage at which it is being provided. An overview might include:

- an explanation of the nature, and the liquidator's own initial assessment, of the assignment (including the anticipated return to creditors) and the outcome (if known);
- initial views on how the assignment was to be handled, including decisions on staffing or subcontracting and the appointment of advisers;
- any significant aspects of the case, particularly those that affect the remuneration and cost expended;
- the reasons for subsequent changes in strategy;
- the steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, and fee drawing;
- any existing agreement about remuneration;
- details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees;
- in a larger case, particularly if it involved trading, considerations about staffing and managing the assignment and how strategy was set and reviewed;
- details of work undertaken during the period;
- any additional value brought to the estate during the period, for which the liquidator wishes to claim increased remuneration.

Time cost basis

Where any part of the remuneration is or is proposed to be calculated on a time costs basis, requests for and reports on remuneration should provide:

- An explanation of the liquidator's time charging policy, clearly stating the units of time that have been used, the grades of staff and rates that have been charged to the assignment, and the policy for recovering the cost of support staff. There is an expectation that time will be recorded in units of not greater than 6 minutes.
- A description of work carried out, which might include:
 - details of work undertaken during the period, related to the table of time spent for the period;
 - an explanation of the grades of staff used to undertake the different tasks carried out and the reasons why it was appropriate for those grades to be used;
 - any comments on any figures in the summary of time spent accompanying the request the liquidator wishes to make.
- Time spent and charge-out summaries, in an appropriate format.

It is useful to provide time spent and charge-out value information in a tabular form for each of the time periods reported upon, with work classified (and sub-divided) in a way relevant to the circumstances of the case

The following areas of activity are suggested as a basis for the analysis of time spent:

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

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

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

The level of disclosure suggested above will not be appropriate in all cases, and considerations of proportionality will apply:

- where cumulative time costs are, and are expected to be, less than £10,000 the liquidator should, as a minimum, state the number of hours and average rate per hour and explain any unusual features of the case;

• where cumulative time costs are, or are expected to be, between £10,000 and £50,000, a time and charge-out summary similar to that shown above will usually provide the appropriate level of detail (subject to the explanation of any unusual features);

• where cumulative time costs exceed, or are expected to exceed, £50,000, further and more detailed analysis or explanation will be warranted.