Rule 4 49C

Form 4 68

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192 of the Insolvency Act 1986

To the Registrar of Companies

Company Number

02234917

Name of Company

Aspen Reed Limited

I / We

Kate Elizabeth Breese, Oxford Chambers, Oxford Road, Guiseley, Leeds, LS20 9AT

the liquidator(s) of the company attach a copy of my/our Progress Report under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 19/04/2014 to 18/04/2015

Signed ____________ Date 18/6/15

Walsh Taylor
Oxford Chambers
Oxford Road
Guiseley
Leeds
LS20 9AT

Ref ASP0002/KB/PS/EP/AW

THURSDAY

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COMPANIES HOUSE

Aspen Reed Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs		From 19/04/2014 To 18/04/2015	From 19/04/2013 To 18/04/2015
	SECURED ASSETS		
300,000 00	Freehold Land & Property	NIL	255,000 00
		NIL	255,000 00
	SECURED CREDITORS		
(176,660 57)	Yorkshire Bank Plc	NIL	178,399 38
		NIL	(178,399 38)
	HIRE PURCHASE		
4,000 00	Ford Transit Van	NIL	4,000 00
(3,295 30)	ING Lease	NIL	(3,939 08)
		NIL	60 92
	ASSET REALISATIONS		
4,000 00	Furniture & Equipment	NIL	1,495 72
5,000 00	Motor Vehicles	NIL	4,042 50
300 00	Stock	NIL	242 55
84,000 00	Book debts / Retentions	NIL	30,702 33
	Cash at Bank	NIL	51 14
	Bank Interest Gross	NIL	81 90
		NIL	36,616 14
	COST OF REALISATIONS		
	Specific Bond	NIL	336 00
	Preparation of S of A	NIL	10,000 00
	Liquidator Fees	12,917 34	51,250 69
	Office Holders Expenses	NIL	498 38
	Assistance Fee	NIL	2,052 00
	Agents/Valuers Fees (1)	NIL	6,569 50
	Accountants Fee	NIL	1,500 00
	Agent Fees (2)	NIL	1,536 26
	Legal fees	NIL	4,954 30
	Tax on Bank Interest	NIL	16 37
	Postage (Cat1) - no VAT	NIL	89 76
	Stationery (Cat2) with VAT	NIL	142 50
	Storage Costs	NIL	43 20
	Electronic Document Storage	NIL	187 92
	Statutory Advertising	NIL	222 75
	Other Property Expenses	NIL	648 50
	Insurance of Assets	NIL	1,268 66
		(12,917 34)	(81,316 79)
	PREFERENTIAL CREDITORS		
(11,734 80)	Employee Arrears/Hol Pay	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(104,701 53)	Trade & Expense Creditors	NIL	NIL
(214,837 80)	Employees	NIL	NIL
(68,680 00)	Directors	NIL	NIL
(84,501 00)	H M Revenue & Customs - PAYE/NIC	NIL	NIL
	H M Revenue & Customs Corporation	16 38	16 38
(38,199 61)	H M Revenue & Customs - VAT	NIL	NIL

Aspen Reed Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs		From 19/04/2014 To 18/04/2015	From 19/04/2013 To 18/04/2015
		(16 38)	(16 38)
	DISTRIBUTIONS		
(5,000 00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(310,310.61)		**(12,933.72)**	**31,944.51**
	REPRESENTED BY		
	Vat Receivable		350 00
	Bank Current a/c		31,594 51
			31,944 51

Kate Elizabeth Breese
Liquidator

Aspen Reed Limited - In Liquidation

Company No: 02234917

Liquidator's Annual Progress Report to Creditors

Pursuant to S104A of the Insolvency Act 1986

18 June 2015

Registered Office
Walsh Taylor
Oxford Chambers
Oxford Road
Guiseley
Leeds
LS20 9AT

CONTENTS

ENCLOSURES

A Liquidator's Receipts and Payments Account for the Period 19 April 2014 to 18 April 2015, together with cumulative totals

B Time Analysis for the Period 19 April 2014 to 18 April 2015, together with cumulative totals

C Liquidator's Disbursements and Expenses

D Creditors' Guide to Fees & Walsh Taylor's Charging and Disbursement Rates

1 Introduction

1 1 This report provides an update on the progress in the liquidation of Aspen Reed Limited (the **Company**) I was appointed Liquidator of the Company at the first meeting of creditors held on 19 April 2013

1 2 I enclose at Appendix A an account of the Liquidator's Receipts and Payments for the year ended 18 April 2015, with a comparison to the Directors' Statement of Affairs values

2 Realisation of Assets

2 1 The Company's assets were shown by the Directors in their estimated statement of affairs as at 19 April 2013 to be

Asset Type	Book Value £	Estimated to Realise £
Assets Subject to fixed charge:		
Freehold Land & Property	400,000 00	300,000 00
Yorkshire Bank Plc		(176,660 57)
Ford Transit Van	4,713 00	4,000 00
ING Lease		(3,295 30)
Estimated to realise overall		124,044 13
Assets subject to floating charge:		
Furniture & Equipment	4,000 00	4,000 00
Motor Vehicles	5,892 00	5,000 00
Stock	300 00	300 00
Book debts/ Retentions	168,000 00	84,000 00
Estimated to realise overall		93,300 00

2 2 The freehold land & property at Brignell Road, Middlesbrough was sold to a third party on 30 August 2013 for the sum of £255,000 00 following an independent valuation by Sanderson Weatherall with funds being received in full on 30 August 2013 Upon satisfying the secured creditor's charge and associated legal fees and disbursements the sale of the property produced to the liquidation a net sum of £71,748 62

2 3 The Furniture & Equipment, Motor Vehicles, including the Ford Transit Van subject to finance, and Stock were sold to a third party on 31 May 2013 for the sum of £9,780 77 plus VAT following an independent valuation by Sanderson Weatherall Funds were received in full on 4 June 2013

2 4 The sum of £30,702 33 has been received to date in respect of book debts TBI Solicitors and Clarion Solicitors have been instructed in this matter and collections are ongoing

2 5 An additional £51 14 has been received in respect of Cash at Bank

2 6 Total asset realisations achieved in this Liquidation up to 18 April 2015 are £295,616 14

3 Investigations

3 1 In accordance with the Company Directors Disqualification Act 1986 the liquidator has submitted a report on the conduct of the Directors of the Company to the DTI As this is a confidential report, I am not able to disclose the contents

3 2 The Liquidator also has a duty to investigate the extent of the Company's assets including potential claims against third parties including the Directors, and to report her findings, subject to considerations of privilege and confidentiality and whether those investigations and/or any potential litigation might be compromised

3 3 The preliminary assessment of the conduct of the Company's affairs prior to winding up did not reveal any matters that it was in the interest of creditors for the Liquidator to pursue Accordingly I am not conducting or proposing to conduct any further, more detailed investigations however I will of course continue to monitor the Company's situation

4 Creditors

Secured Creditors

4 1 There are two secured creditors in this liquidation Yorkshire Bank Plc holds a legal charge creating a fixed charge over the property at Brignell Road, Middlesbrough, created on 1 September 1988 and registered on 12 September 1988 Yorkshire Bank Plc also holds a debenture creating fixed and floating charges created on 28 November 1990 and registered on 4 December 1990 The sum of £178,399 38 has been paid to Yorkshire Bank Plc under the terms of their fixed charge over the property There are no further monies due to Yorkshire Bank under their charges

Preferential Creditors

4 2 There is one preferential creditor in this liquidation The National Insurance Fund claims the sum of £ 11,086 65 preferentially in respect of payments made to former employees of the Company for claims for wages and holiday pay I anticipate that the preferential creditor will be paid in full

The Prescribed Part

4 3 Where a Company has granted security over its assets which includes a qualifying floating charge the Liquidator is obliged to consider setting aside a proportion of net property, which would otherwise be available to the holder of floating charge security over the Company's assets, for the benefit of unsecured creditors (known as "the Prescribed Part")

4 4 Please note that Yorkshire Bank's charge was created prior to 15 September 2003, therefore the provisions of the prescribed part do not apply in this case

Unsecured Creditors

4 5 The Liquidator has received claims totalling £362,392 25 from 27 creditors I have yet to receive claims from 15 creditors whose debts total £119,206 62 per the Directors' Statement of Affairs

Dividend Prospects

4 6 Assets realised have been and will be utilised fully in contributing towards defraying the administrative costs of the liquidation The likelihood of a dividend to unsecured creditors is dependent upon the level of further realisations and associated costs incurred

5 Liquidator's Remuneration, Disbursements and Expenses

Basis of the Liquidator's remuneration

5 1 At the initial meeting of creditors held pursuant to Section 98 of the Act on 19 April 2013 it was resolved that the Liquidator would be remunerated by reference to the time properly spent in dealing with this matter at Walsh Taylor's standard charging rates, and that her disbursements would be drawn in accordance with Walsh Taylor's standard tariff (see Appendix D)

5 2 Apart from a small increase in stationery charges to reflect the increased costs associated therein, there have been no increases to Walsh Taylor's charge out rates or disbursement tariff since then

Remuneration charged and disbursements incurred and drawn

5 3 During the period of this report Liquidator's post liquidation time costs are in the sum of £13,331 in respect of 73 10 hours at an average hourly rate of £182 37

5 4 Total Liquidator's post liquidation time costs since the date of my appointment to 14 April 2015 are in the sum of £52,561 in respect of 292 30 hours at an average hourly rate of £179 82

5 5 During the period of this report the sum of £12,917 34 has been drawn by way of Liquidator's remuneration

5 6 Total remuneration drawn since the date of my appointment is in the sum of £51,250 69

5 7 Attached as Appendix B is a Time Analysis in accordance with the provisions of Statement of Insolvency Practice 9 (**SIP9**), which provides details of the activity costs incurred by staff grade for the final period of my administration together with details of cumulative costs

5 8 Disbursements incurred and drawn are summarised at Appendix C

Liquidation expenses charged and drawn

5 9 Details of the costs incurred and paid by the Liquidator in relation to liquidation expenses are also attached at Appendix C

5 10 I comment specifically that at the first meeting of creditors held on 19 April 2013 it was resolved that the fees and disbursements of Walsh Taylor for assisting the Directors in convening the statutory meetings to place the Company into liquidation and for assistance in preparing the Statement of Affairs would be a set fee of £10,000 plus VAT, to be paid out of the assets of the Company, together with disbursements incurred

5 11 The sum of £10,000 has been drawn in this respect

5 12 It was further resolved that the sum of £1,500 plus disbursements, plus VAT would be paid to Clive Owen & Co LLP for assistance in the preparation of the Statement of Affairs

5 13 The sum of £2,052 plus VAT has been paid in this respect

Creditors' Guide to Fees and Statement of Creditors' rights

5 14 If you require any further information with respect to a Liquidator's remuneration, disbursements and expenses, please see Appendix D This document also includes a statement of creditors' rights

6 Matters outstanding

6 1 Asset realisations have yet to be concluded

6 2 Accordingly, the anticipated date for closure is dependent upon the above

6 3 If you require any further information please do not hesitate to contact me at the above address

Yours faithfully

Kate Elizabeth Breese
Liquidator

Enc

Aspen Reed Limited
(In Liquidation)

LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 19/04/2014 To 18/04/2015 £	From 19/04/2013 To 18/04/2015 £
RECEIPTS			
Freehold Land & Property	300,000 00	0 00	255,000 00
Ford Transit Van	4,000 00	0 00	4,000 00
Furniture & Equipment	4,000 00	0 00	1,495 72
Motor Vehicles	5,000 00	0 00	4,042 50
Stock	300 00	0 00	242 55
Book debts / Retentions	84,000 00	0 00	30,702 33
Cash at Bank		0 00	51 14
Bank Interest Gross		0 00	81 90
		0 00	295,616 14
PAYMENTS			
Yorkshire Bank Plc	(176,660 57)	0 00	178,399 38
ING Lease	(3,295 30)	0 00	3,939 08
Specific Bond		0 00	336 00
Preparation of S of A		0 00	10,000 00
Liquidator Fees		12,917 34	51,250 69
Office Holders Expenses		0 00	498 38
Assistance Fee		0 00	2,052 00
Agents/Valuers Fees (1)		0 00	6,569 50
Accountants Fee		0 00	1,500 00
Agent Fees (2)		0 00	1,536 26
Legal fees		0 00	4,954 30
Tax on Bank Interest		0 00	16 37
Postage (Cat1) - no VAT		0 00	89 76
Stationery (Cat2) with VAT		0 00	142 50
Storage Costs		0 00	43 20
Electronic Document Storage		0 00	187 92
Statutory Advertising		0 00	222 75
Other Property Expenses		0 00	648 50
Insurance of Assets		0 00	1,268 66
Employee Arrears/Hol Pay	(11,734 80)	0 00	0 00
Trade & Expense Creditors	(104,701 53)	0 00	0 00
Employees	(214,837 80)	0 00	0 00
Directors	(68,680 00)	0 00	0 00
H M Revenue & Customs - PAYE/NIC	(84,501 00)	0 00	0 00
H M Revenue & Customs Corporation Tax		16 38	16 38
H M Revenue & Customs - VAT	(38,199 61)	0 00	0 00
Ordinary Shareholders	(5,000 00)	0 00	0 00
		12,933 72	263,671 63
Net Receipts/(Payments)		(12,933 72)	31,944 51

MADE UP AS FOLLOWS

Aspen Reed Limited
(In Liquidation)

LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 19/04/2014 To 18/04/2015 £	From 19/04/2013 To 18/04/2015 £
Bank Current a/c		(11,790 89)	31,594 51
VAT Receivable / (Payable)		(1,142 83)	350 00
		(12,933 72)	31,944 51

Kate Elizabeth Breese
Liquidator

Time Entry - SIP9 Time & Cost Summary

ASP0002 - Aspen Reed Limited
Project Code POST
From 19/04/2014 To 18/04/2015

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Cashier	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	1 70	37 80	0 00	7 70	0 00	47 20	9 016 50	191 03
Case Specific Matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Cashier	1 20	0 20	0 00	12 20	0 00	13 60	2 243 50	164 96
Creditors	0 00	7 00	0 00	2 60	0 00	9 60	1 585 00	165 10
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisation of Assets	0 00	2 70	0 00	0 00	0 00	2 70	486 00	180 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours	**2.90**	**47 70**	**0 00**	**22.50**	**0 00**	**73 10**	**13,331 00**	**182.37**
Total Fees Claimed							**4,584 00**	
Total Disbursements Claimed							**0 00**	

 Version 15-01-14 09 June 2015 16 07

Time Entry - SIP9 Time & Cost Summary

ASP0002 - Aspen Reed Limited
Project Code POST
To 18/04/2015

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Cashier	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	5 40	85 90	0 00	31 40	0 00	122 70	21 967 50	179 03
Case Specific Matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Cashier	2 30	5 10	0 00	31 70	0 00	39 10	6 378 50	163 13
Creditors	0 00	28 00	0 00	4 40	0 00	32 40	5 653 00	174 48
Investigations	0 40	12 00	0 00	0 00	0 00	12 40	2 572 00	207 42
Realisation of Assets	1 10	84 30	0 00	0 30	0 00	85 70	15 990 00	186 58
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours	**9 20**	**215 30**	**0 00**	**67 80**	**0 00**	**292 30**	**52,561 00**	**179 82**
Total Fees Claimed							**4,584 00**	
Total Disbursements Claimed							**0 00**	

ASPEN REED LIMITED - IN LIQUIDATION **Appendix C**

Liquidator's disbursements and expenses to 18 April 2015

Disbursements incurred and paid

	Incurred £	Unpaid £	Written off £	Paid £
Category 1				
Insolvency bond	336 00	0 00	0 00	336 00
Postage	119 18	29 42	0 00	89 76
Company search	5 00	0 00	0 00	5 00
Subsistence	16 08	0 00	0 00	16 08
Travel costs	338 75	103 35	0 00	235 40
Advertising	222 75	0 00	0 00	222 75
	1,037 76	132 77	0 00	904 99
Category 2				
Photocopying	155 85	13 35	0 00	142 50
Room Hire	62 50	0 00	0 00	62 50
Case Set Up Fee	25 00	0 00	0 00	25 00
Mileage	154 40	0 00	0 00	154 40
Electronic Storage	187 92	0 00	0 00	187 92
Storage	114 34	71 14	0 00	43 20
	700 01	84 49	0 00	615 52

Expenses incurred and paid

Expense	Paid to	Basis of payment
Pre liquidation fees	Walsh Taylor	Approved by creditors on 19 April 2013
Pre liquidation disbs	Walsh Taylor	Approved by creditors on 19 April 2013
Statutory advertising	Courts Advertising	Statutory payment - set tariff
Bonding	Marsh Limited	Premium
Assistance fee	Clive Owen & Co LLP	Set Fee
Agents/Valuers fees	Sanderson Weatherall	Set Fee
Agents fees	TBI LLP	Percentage of realisations
Agents fees	Clarion Solicitors	Percentage of realisations
Legal fees	TBI LLP	Set Fee
Legal fees	Clarion Solicitors	Set Fee
Legal fees	Clive Owen & Co LLP	Set Fee

		Incurred £	Unpaid £	Written off £	Paid £
Pre liquidation fees		10,000 00	0 00	0 00	10,000 00
Assistance fee including disbursements		2,052 00	0 00	0 00	2,052 00
Agents/Valuers fees		6,569 50	0 00	0 00	6,569 50
Agents fees	TBI LLP	1,198 94	0 00	0 00	1,198 94
Agents fees	Clarion Solicitors	337 32	0 00	0 00	337 32
Legal fees	TBI LLP	4,052 00	0 00	0 00	4,052 00
Legal fees	Clarion Solicitors	162 30	0 00	0 00	162 30
Legal fees	Clive Owen & Co LLP	740 00	0 00	0 00	740 00
		25,112 06	0 00	0 00	25,112 06

Creditors' Guide to Fees & Walsh Taylor's Charging and Disbursement Rates

Appendix D

A CREDITORS' GUIDE TO LIQUIDATORS' FEES

ENGLAND AND WALES

1 Introduction

1 1 When a company goes into liquidation the costs of the proceedings are paid out of its assets The creditors who hope to recover some of their debts out of the assets therefore have a direct interest in the level of costs and in particular the remuneration of the insolvency practitioner appointed to act as liquidator The insolvency legislation recognises this interest by providing mechanisms for creditors to fix the basis of the liquidator's fees This guide is intended to help creditors be aware of their rights to approve and monitor fees explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the liquidator and challenge those they consider to be excessive

2 Liquidation procedure

2 1 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 vote on the appointment of the liquidator at the first meeting of creditors

2 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

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 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 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

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 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

4 3 If the remuneration is not fixed as above it will be fixed in one of the following ways In a CVL, it will be fixed by the court on application by the liquidator but the liquidator may not make such an application unless he has first tried to get his remuneration fixed by the committee or creditors as described above and in any case not later than 18 months after his appointment In a compulsory liquidation it will be in accordance with a scale set out in the Rules

4 4 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 **When fixing bases of remuneration**

6 1 1 When seeking agreement for the basis or bases of remuneration the liquidator should provide sufficient supporting information to enable the committee or the creditors to make an informed judgement as to whether the basis sought is appropriate having regard to all the circumstances of the case The nature and extent of the information provided will depend on the stage during the conduct of the case at which approval is being sought The appendix to this guide sets out a suggested format for the provision of information

6 1 2 If any part of the remuneration is sought on a time costs basis the liquidator should provide details of the minimum time units used and current charge-out rates split by grades of staff of those people who have been or who are likely to be involved in the time costs aspects of the case

6 1 3 The liquidator should also provide details and the cost of any work that has been or is intended to be sub-contracted out that could otherwise be carried out by the liquidator or his or her staff

6 1 4 If work has already been carried out the liquidator should state the proposed charge for the period to date and provide an explanation of what has been achieved in the period and how it was achieved sufficient to enable the progress of the case to be assessed and whether the proposed charge is reasonable in the circumstances of the case 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

6 2 **After the bases of remuneration have been fixed**

The liquidator is required to send progress reports to creditors at specified intervals (see paragraph 7 1 below) When reporting periodically to creditors in addition to the matters specified in paragraph 71 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 Creditors 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) Where any remuneration is on a time costs basis the liquidator should disclose the charge in respect of the period the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity If there have been any changes to the charge-out rates during the period under review rates should be disclosed by grades of staff split by the periods applicable 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

6 3 **Disbursements and other expenses**

6 3 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

- Category 1 disbursements 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 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 can be allocated to the liquidation on a proper and reasonable basis for example business mileage

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 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

6 3 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
- recovery of basic overhead costs such as office and equipment rental depreciation and finance charges

6 4 **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 **Progress reports and requests for further information**

7 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
- a statement of the creditors rights to request further information as explained in paragraph 7 2 and their right to challenge the liquidator's remuneration and expenses

7 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

7 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

8 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

9 What if a creditor is dissatisfied?

9 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

9 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

9 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 7 1 above) If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the liquidator a copy of the application and supporting evidence at least 14 days before the hearing

9 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 by paid by the applicant and not out of the assets of the insolvent company

10 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

11 Other matters relating to remuneration

11 1 Where the liquidator realises assets on behalf of a secured creditor he is entitled to be remunerated out of the proceeds of sale in accordance with a scale set out in the Rules Usually however the liquidator will agree the basis of his fee for dealing with charged assets with the secured creditor concerned

11 2 Where two (or more) joint liquidators are appointed it is for them to agree between themselves how the remuneration payable should be apportioned Any dispute between them may be referred to the court, the committee or a meeting of creditors

11 3 If the appointed liquidator is a solicitor and employs his own firm to act in the insolvency, profit costs may not be paid unless authorised by the committee the creditors or the court

11 4 If a new liquidator is appointed in place of another any determination 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

11 5 Where the basis of the remuneration is a set amount, and the liquidator ceases to act before the time has elapsed or the work has been completed for which the amount was set application may be made for a determination of the amount that should be paid to the outgoing liquidator The application must be made to the same body as approved the remuneration Where the outgoing liquidator and the incoming liquidator are from the same firm they will usually agree the apportionment between them

11 6 There may also be occasions when creditors will agree to make funds available themselves to pay for the liquidator to carry out tasks which cannot be paid for out of the assets either because they are deficient or because it is uncertain whether the work undertaken will result in any benefit to creditors Arrangements of this kind are sometimes made to fund litigation or investigations into the affairs of the insolvent company Any arrangements of this nature will be a matter for agreement between the liquidator and the creditors concerned and will not be subject to the statutory rules relating to remuneration

12. Effective date

This guide applies where a company goes into liquidation on or after 1 November 2011

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

Walsh Taylor

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Charge Out Rates

	Rate per hour £
Director/Insolvency Practitioner	280
Senior Manager	220
Manager	180
Senior Administrator	160
Administrator	125
Cashier	125
Support staff (inc secretarial)	75-100

- Time is charged in units of 6 minutes
- Support and secretarial staff time is charged to cases on the basis of time spent at the rates stated above

Disbursements Recovery Policy

Category 1	Direct costs are recovered at actual cost to the case
	Includes for example and where relevant insurance and bonding, advertising, courier, registration fees, search fees, postage (including re-direction), storage, subsistence and public transport
	No charge is made for telephone calls
Category 2	Apportioned costs are recovered on the following tariff -
Fax	£1 per page sent
Photocopying	15p per copy – irrespective of size
Room hire	£150 for room hire for creditors' meetings - charge is only be made when attendance of debtor/ director and/or creditors is likely and a meeting room has been set aside
Stationery	Initial case set-up fee per corporate case £20 to 30th April 2012, £25 from 1st May 2012, £15 per personal case
	Annual case/ file maintenance charges of £10
Car travel	65p per mile
	Fax, photocopying and stationery charges are based on the average costs of consumables
	Room hire is based on an average of charges levied by four local providers