

LIQ14

Notice of final account prior to dissolution in CVL



Companies House

For further information, please

TUESDAY



L10 *L7F75UXM* 25/09/2018 #172
COMPANIES HOUSE

e

1 Company details

Company number 0 2 2 3 8 3 8 8

Company name in full Stockfords Rainwater Systems Limited

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Paul

Surname Boyle

3 Liquidator's address

Building name/number 102 Sunlight House

Street Quay Street

Post town Manchester

County/Region

Postcode M 3 3 J Z

Country

4 Liquidator's name

Full forename(s) David

Surname Clements

Other liquidator
Use this section to tell us about
another liquidator.

5 Liquidator's address

Building name/number 102 Sunlight House

Street Quay Street

Post town Manchester

County/Region

Postcode M 3 3 J Z

Country

Other liquidator
Use this section to tell us about
another liquidator.

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6

Liquidator's release

☐ Tick if one or more creditors objected to liquidator's release.

7

Final account

☒ I attach a copy of the final account.

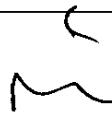
8

Sign and date

Liquidator's signature

Signature

X



X

Signature date

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y

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LIQ14

Notice of final account prior to dissolution in CVL



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Julian Moules
Company name	Harrisons Business Recovery and Insolvency Limited
Address	102 Sunlight House Quay Street
Post town	Manchester
Country/Region	
Postcode	M 3 3 J Z
Country	
DX	
Telephone	0161 876 4567



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Stockfords Rainwater Systems Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 03/03/2018 To 17/07/2018 £	From 03/03/2014 To 17/07/2018 £
	SECURED CREDITORS		
(29,532.65)	The Royal Bank of Scotland	NIL	NIL
		NIL	NIL
	HIRE PURCHASE		
8,600.00	Renault Master LM35	NIL	7,550.00
(8,852.00)	RCI FS Limited	NIL	(8,841.60)
		NIL	(1,291.60)
	ASSET REALISATIONS		
385.00	Plant & Machinery	NIL	515.00
900.00	Furniture & Equipment	NIL	485.00
10,800.00	Motor Vehicles	NIL	12,990.00
150.00	Stock	NIL	NIL
66,887.00	Book Debts	12.71	17,828.45
75,000.00	Retentions	NIL	48,521.76
	Cash at Bank	NIL	22.31
7,529.00	Cash in Hand	NIL	8,456.51
	Preference Payment Settlement	20,000.00	20,000.00
	Bank Interest Gross	0.38	29.96
	CVL Dividend	NIL	99.19
		20,013.09	108,948.18
	COST OF REALISATIONS		
	Cat 1 Bordereau Bonding	NIL	330.00
	Statement of Affairs Fee	NIL	7,500.00
	Liquidators Remuneration	14,646.26	75,621.40
	Cat 1 Carriage/Courier Costs	NIL	54.24
	Employee Assistance	NIL	700.00
	Employment Consultants	NIL	748.90
	Cat 1 Search Costs	NIL	12.00
	Cat 1 Agents/Valuers Fees	NIL	4,083.75
	Cat 1 WardHadaway Fees	NIL	11,175.74
	Cat 1 Legal Fees - JMW LLP	5,000.00	5,000.00
	Corporation Tax	NIL	5.34
	Cat 2 Registered Office Fee	NIL	120.00
	Printing, Postage and Stationery	67.06	436.48
	Travel Expenses	9.65	184.05
	Storage Costs	544.00	1,518.96
	Cat 1 Statutory Advertising	NIL	165.66
	Irrecoverable VAT	0.06	0.06
		(20,267.03)	(107,656.58)
	PREFERENTIAL CREDITORS		
(16,107.00)	Employees Arrears of Pay & Holiday P	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(322,031.06)	Trade & Expense Creditors	NIL	NIL
(198,869.00)	Employees Notice Pay & Redundancy	NIL	NIL
(11,935.93)	Philip Stafford	NIL	NIL
(66,684.16)	HM Revenue & Customs - PAYE/NI	NIL	NIL
(6,003.67)	HM Revenue & Customs - VAT	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL

STOCKFORDS RAINWATER SYSTEMS LIMITED (THE COMPANY) - IN LIQUIDATION

COMPANY NUMBER - 02238388

THE INSOLVENCY ACT 1986

Notice of Final Account under R6.28 of the Insolvency (England and Wales) Rules 2016

NOTICE IS HEREBY GIVEN to the Company's creditors that:

- 1 The Company's affairs are fully wound up.
- 2 Within twenty-one days of the receipt of this final account, a secured creditor or an unsecured creditor (with the concurrence of at least five percent in value of the unsecured creditors or any unsecured creditor with the permission of the court) may request in writing that the Joint Liquidators provide further information about their remuneration or expenses included within the final account.
- 3 Any secured creditor, or an unsecured creditor (with the concurrence of at least ten percent in value of the unsecured creditors) may within eight weeks of receipt of this final account, make an application to court on the grounds that, in all the circumstances, the basis fixed for the Joint Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint Liquidators, as set out in the final account, are excessive.
- 4 A creditor may object to the release of the Joint Liquidators by giving notice in writing to the Joint Liquidators by the end of the period of eight weeks from the delivery of this notice. However, if any request for information or any application to court is made, the period will run until that request or application is finally determined.
- 5 The Joint Liquidators will vacate office under s171 of the Insolvency Act 1986 on delivering the final account to the Registrar of Companies at the end of the above period. The notice delivered will state whether any creditor has objected to the Joint Liquidators' release.
- 6 The Joint Liquidators will be released under s173 of the Insolvency Act 1986 at the same time as vacating office unless any of the creditors have objected to this, in which case the Joint Liquidators will apply to the Secretary of State for his release in the alternative.

Date: 17 July 2018



Paul Boyle, Joint Liquidator

Paul Boyle and David Clements, the Joint Liquidators whose address is 102 Sunlight House, Quay Street, Manchester M3 3JZ may be contacted at this address or by telephone on 0161 876 4567 or via email at Manchester@harrisons.uk.com

**Stockfords Rainwater Systems Limited
- In Liquidation**

**Joint Liquidator's Final Account to
Creditors and Members**

17 July 2018

• **Stockfords Rainwater Systems Limited - In Liquidation**

Joint Liquidators' Final Account to Creditors and Members

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- 4** Outcome for Creditors
- 5** Joint Liquidators' Remuneration and Expenses
- 6** Conclusion

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- B** Cumulative Receipts and Payments Account for the period from 3 March 2014 to 17 July 2018
- C** Time Analysis for the period from 3 March 2018 to 17 July 2018
- D** Cumulative Time Analysis for the period from 3 March 2014 to 17 July 2018
- E** Additional Information in Relation to the Liquidator's Fees, Expenses and Disbursements

Stockfords Rainwater Systems Limited - In Liquidation

Joint Liquidators' Final Account to Creditors and Members

1 Introduction

- 1.1 I, Paul Boyle, together with my partner David Clements, of Harrisons Business Recovery and Insolvency Limited, 102 Sunlight House, Quay Street, Manchester M3 3JZ was appointed as Liquidator of Stockfords Rainwater Systems Limited ('the Company') on 3 March 2014. The affairs of the Company are now fully wound-up and this is my final account of the liquidation, which covers the period since my last progress report ('the Period').
- 1.2 Information about the way that we will use and store personal data on insolvency appointments can be found at <https://harrisons.uk.com/privacy-policy> . If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.3 The trading address of the Company was Stockfords House, 4 Gillbent Road, Cheadle Hulme, Stockport, Cheshire SK8 6NB.
- 1.4 The registered office of the Company was changed to 102 Sunlight House, Quay Street, Manchester M3 3JZ and its registered number is 02238388.

2 Receipts and Payments

- 2.1 At Appendix A is my Receipts and Payments Account for the period from 3 March 2018 to 17 July 2018. Attached at Appendix B is a cumulative Receipts and Payments Account for the period from the date of my appointment as Joint Liquidator on 3 March 2014 to 17 July 2018.
- 2.2 Further information about the basis of remuneration agreed in this case and the Joint Liquidators' fees information can be found in section 5 of this report.

3 Work undertaken by the Joint Liquidators

- 3.1 This section of the report provides creditors with an overview of the work undertaken in the liquidation since the date of my last annual progress report, together with information on the overall outcome of the liquidation.

Administration (including statutory compliance and reporting)

- 3.2 As you may be aware, the Joint Liquidators must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work I anticipated undertaking in this regard was outlined to creditors in previous reports.
- 3.3 As advised in previous reports, statutory compliance and reporting work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

Realisation of Assets

- 3.4 Motor Vehicles

As advised in previous reports, the eight motor vehicles owned by the Company were sold in accordance with the professional advice of JPS Chartered (Surveyors) Limited ('JPS') for the total sum of £12900 which exceeded the forced sale estimate of £10900.

A Renault Master registration number SH12 AHC subject to a hire purchase agreement with RCI FS Limited was returned to the hire purchase company in accordance with the advice of JPS following their assessment that there was no equity available in the vehicle.

Stockfords Rainwater Systems Limited - In Liquidation

Joint Liquidators' Final Account to Creditors and Members

3.5 Plant and Machinery

As advised in previous reports, JPS estimated that the plant and machinery owned by the Company held a total value of £385 in a forced sale situation and subsequently sold these assets for the sum of £515.

3.6 Furniture and Equipment

As advised in previous reports, JPS estimated that the furniture and equipment owned by the Company held a total value of £900 in a forced sale situation and subsequently sold these assets for the sum of £485.

3.7 Stock

As advised in previous reports, JPS estimated that the stock owned by the Company held a total value of £150. It did not prove cost-effective to uplift and market the stock for sale so these assets were abandoned.

3.8 Book Debts

As advised in previous reports, the book debts outstanding to Company totalled £133774 but were subject to numerous disputes for non-completion of works and defects. The total sum of £17815.74 was realised and, in view of costs considerations and the lack of assistance provided by the Director, the Joint Liquidators wrote off the balance.

3.9 Retentions

Although the Company was owed retention monies with a book value of £141230, retention collections were dependent upon the extent of any additional work required to make good defects on any retention contracts.

Ward Hadaway Solicitors were instructed by the Joint Liquidators to assist with retention collections and the total amount of £48521.76 was realised.

As advised previous reports, the remaining disputed retentions were written off as the Joint Liquidators determined that it would not be cost-effective to instigate any legal proceedings for recovery.

3.10 Cash at Bank

As advised in previous reports, the sum of £22.31 was received from sundry payments made directly into the Company's bank account at Royal Bank of Scotland plc following the Joint Liquidators' appointment which did not relate to book debt or retention payments.

3.11 Cash in Hand

As advised in previous reports, the sum of £8456.51 was received in customer payments made prior to the appointment of the Joint Liquidators and was realised for the benefit of the liquidation estate.

3.12 Other Assets

The sum of £29.96 was received in bank interest on the monies held in the liquidation estate bank account and the sum of £99.19 was received in respect of a dividend from the Creditors Voluntary Liquidation of a Company debtor.

Stockfords Rainwater Systems Limited - In Liquidation

Joint Liquidators' Final Account to Creditors and Members

Creditors (claims and distributions)

- 3.13 Further information on the outcome for creditors in this case can be found at section 4 of this report. The Joint Liquidators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture as well as dealing with the general handling of communications with stakeholders, such as customers and suppliers.
- 3.14 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal. I would confirm that in this case there were over twenty employees of the Company who made claims to the Redundancy Payments Service.
- 3.15 The above work will not necessarily bring any financial benefit to creditors generally, however the Joint Liquidators are required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Joint Liquidators in dealing with those claims.

Investigations

- 3.16 You may recall from my first progress report to creditors that some of the work the Joint Liquidators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (CDDA 1986) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Joint Liquidators can pursue for the benefit of creditors.
- 3.17 My report on the conduct of the Directors of the Company to the Department for Business, Energy and Industrial Strategy under the CDDA 1986 was submitted during the first year of the liquidation and is confidential.
- 3.18 At the Section 98 meeting of creditors, it had been decided that further investigation was required into the movements on the Director's Loan Account ('DLA') and the potential recovery of any such amounts considered drawn in preference.

The movements on the DLA provided by the Company showed that there had been cash payments to Director Philip Stafford totalling £47000 in the period from 1 April 2013 to 7 February 2014 and the Joint Liquidators sought restitution from the Director for these payments for the benefit of the liquidation estate as it was considered that they constituted antecedent transactions pursuant to the Insolvency Act 1986.

The Joint Liquidators instructed JMW LLP ('JMW'), solicitors, to assist in the recovery of this potential asset.

At a meeting on 9 March 2018, Mr Stafford advised that he would strenuously defend any proceedings brought against him upon the advice of his own solicitors and made a counter-proposal to settle the liability.

After taking legal advice from JMW and taking into account the potentially high costs of any legal proceedings against Mr Stafford, the Joint Liquidators accepted his offer of the sum of £20000.00 in final settlement of the DLA balance.

Stockfords Rainwater Systems Limited - In Liquidation

Joint Liquidators' Final Account to Creditors and Members

A settlement agreement dated 28 March 2018 as agreed by all parties required Mr Stafford to make an immediate payment of £10000.00 and to settle the balance of £10000.00 by 31 May 2018.

As advised in the previous progress report dated 20 April 2018, the initial sum of £10000.00 had been paid by Mr Stafford and was held at the JMW client account.

The balance of £10000.00 was paid by Mr Stafford on 28 May 2018 and the Joint Liquidators would confirm that Mr Stafford has discharged his responsibilities under the DLA settlement agreement in full.

This matter is now resolved and the Joint Liquidators are able to provide a final account and close the liquidation.

Other than the DLA realisation, I would confirm that no further potential asset realisations have come to light in the period since the issue of the previous progress report.

4 Outcome for Creditors

4.1 Secured Creditor

Royal Bank of Scotland plc ('RBS') holds a fixed and floating charge over the Company's assets. At the date of the liquidation, the indebtedness was estimated at £29532.65 and a proof of debt was submitted in the sum of £25869.96. RBS received payment in full from Director Philip Stafford under his personal guarantee on 28 July 2014.

The outstanding costs of the liquidation precluded a dividend to any class of creditor in the liquidation. As such, there was no prospect of a dividend to secured creditors.

As the Company granted a floating charge to RBS on 10 October 1992, there was no requirement to create a fund out of the Company's net floating charge property for unsecured creditors as this only applies to charges created after 15 September 2003. As detailed above, however, there was no net property in this instance.

4.2 Preferential Creditors

Preferential creditors were estimated in the sum of £16107 for the purposes of the Company's Statement of Affairs as at 3 March 2014 and claims were received in the total sum of £14648.74.

As noted at 3.1 above, there was no prospect of a dividend declaration to preferential creditors after defraying the outstanding costs of the liquidation.

4.3 Unsecured Creditors

I received claims totalling £569801.53 from twenty-seven creditors. I did not receive claims from eight creditors whose debts total £23129.88 as per the Company's Statement of Affairs.

As noted at 3.1 above, there was no prospect of a dividend declaration to unsecured creditors after defraying the outstanding costs of the liquidation.

Stockfords Rainwater Systems Limited - In Liquidation

Joint Liquidators' Final Account to Creditors and Members

5 Joint Liquidators' Remuneration and Expenses

- 5.1 Creditors approved that the basis of the Joint Liquidators' remuneration be fixed by reference to the time properly spent by them and their staff in managing the Liquidation.
- 5.2 My time costs for the period from 3 March 2018 to 17 July 2018 are £7940.50. This represents 31.8 hours at an average rate of £249.70 per hour. Attached at Appendix C is a Time Analysis which provides details of the activity costs incurred by staff grade during the period from 3 March 2018 to 17 July 2018 in respect of the costs fixed by reference to time properly spent in managing the Liquidation.
- 5.3 The majority of time costs incurred during the reporting period relate to the general administration of the case, including statutory reporting requirements, case reviews and correspondence with the Director. These time costs in the sum of £5408.00 constitute a total of 23.9 hours at an average hourly rate of £226.28 per hour.

The time in the 'Realisation of Assets' section and the time listed in the 'Investigations' section relate to pursuing the antecedent transactions from which Director Philip Stafford has benefitted and in finalising the settlement agreement as outlined at 3.18 above. Time costs of £150.00 have also been incurred in communicating with secured creditor RBS.

- 5.4 Also attached at Appendix D is a cumulative Time Analysis for the period from 3 March 2014 to 17 July 2018 which provides details of my time costs since appointment. The cumulative time costs incurred to date are £88702.20. This represents 406.22 hours at an average rate of £218.36 per hour. Previous progress reports have detailed how this time has been incurred in earlier reporting periods. The sum of £75621.40 plus disbursements of £2826.73 has been drawn and the Joint Liquidators would confirm that there will be no further drawings in this regard.
- 5.5 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from <http://harrisons.uk.com/creditors-guide-fees>.
- 5.6 Attached at Appendix E is additional information in relation to the Joint Liquidators' fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

6 Conclusion

- 6.1 This final account will conclude my administration of this case. The Notice accompanying this account explains creditors' rights on receipt of this information and also when I will vacate office and obtain my release as Joint Liquidator.

Yours faithfully



Paul Boyle
Joint Liquidator

17 July 2018

Stockfords Rainwater Systems Limited - In Liquidation

Joint Liquidators' Final Account to Creditors and Members

Appendix A

Receipts and Payments Account for the period from 3 March 2018 to 17 July 2018

Stockfords Rainwater Systems Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 03/03/2018 To 17/07/2018 £	From 03/03/2014 To 17/07/2018 £
	SECURED CREDITORS		
(29,532.65)	The Royal Bank of Scotland	NIL	NIL
		NIL	NIL
	HIRE PURCHASE		
8,600.00	Renault Master LM35	NIL	7,550.00
(8,852.00)	RCI FS Limited	NIL	(8,841.60)
		NIL	(1,291.60)
	ASSET REALISATIONS		
385.00	Plant & Machinery	NIL	515.00
900.00	Furniture & Equipment	NIL	485.00
10,800.00	Motor Vehicles	NIL	12,990.00
150.00	Stock	NIL	NIL
66,887.00	Book Debts	12.71	17,828.45
75,000.00	Retentions	NIL	48,521.76
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	Preference Payment Settlement	20,000.00	20,000.00
	Bank Interest Gross	0.38	29.96
	CVL Dividend	NIL	99.19
		20,013.09	108,948.18
	COST OF REALISATIONS		
	Cat 1 Bordereau Bonding	NIL	330.00
	Statement of Affairs Fee	NIL	7,500.00
	Liquidators Remuneration	14,646.26	75,621.40
	Cat 1 Carriage/Courier Costs	NIL	54.24
	Employee Assistance	NIL	700.00
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	Cat 1 Search Costs	NIL	12.00
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	Cat 2 Registered Office Fee	NIL	120.00
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	Travel Expenses	9.65	184.05
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	Cat 1 Statutory Advertising	NIL	165.66
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		(20,267.03)	(107,656.58)
	PREFERENTIAL CREDITORS		
(16,107.00)	Employees Arrears of Pay & Holiday P	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(322,031.06)	Trade & Expense Creditors	NIL	NIL
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(11,935.93)	Philip Stafford	NIL	NIL
(66,684.16)	HM Revenue & Customs - PAYE/NI	NIL	NIL
(6,003.67)	HM Revenue & Customs - VAT	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL

Stockfords Rainwater Systems Limited - In Liquidation

Joint Liquidators' Final Account to Creditors and Members

Appendix B

**Cumulative Receipts and Payments Account for the period from 3 March 2014 to 17 July
2018**

Stockfords Rainwater Systems Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 03/03/2014 To 17/07/2018 £	From 03/03/2014 To 17/07/2018 £
	SECURED CREDITORS		
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8,600.00	Renault Master LM35	7,550.00	7,550.00
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150.00	Stock	NIL	NIL
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	Bank Interest Gross	29.96	29.96
	CVL Dividend	99.19	99.19
		108,948.18	108,948.18
	COST OF REALISATIONS		
	Cat 1 Bordereau Bonding	330.00	330.00
	Statement of Affairs Fee	7,500.00	7,500.00
	Liquidators Remuneration	75,621.40	75,621.40
	Cat 1 Carriage/Courier Costs	54.24	54.24
	Employee Assistance	700.00	700.00
	Employment Consultants	748.90	748.90
	Cat 1 Search Costs	12.00	12.00
	Cat 1 Agents/Valuers Fees	4,083.75	4,083.75
	Cat 1 WardHaway Fees	11,175.74	11,175.74
	Cat 1 Legal Fees - JMW LLP	5,000.00	5,000.00
	Corporation Tax	5.34	5.34
	Cat 2 Registered Office Fee	120.00	120.00
	Printing, Postage and Stationery	436.48	436.48
	Travel Expenses	184.05	184.05
	Storage Costs	1,518.96	1,518.96
	Cat 1 Statutory Advertising	165.66	165.66
	Irrecoverable VAT	0.06	0.06
		(107,656.58)	(107,656.58)
	PREFERENTIAL CREDITORS		
(16,107.00)	Employees Arrears of Pay & Holiday P	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(322,031.06)	Trade & Expense Creditors	NIL	NIL
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(11,935.93)	Philip Stafford	NIL	NIL
(66,684.16)	HM Revenue & Customs - PAYE/NI	NIL	NIL
(6,003.67)	HM Revenue & Customs - VAT	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL

Stockfords Rainwater Systems Limited - In Liquidation

Joint Liquidators' Final Account to Creditors and Members

Appendix C

Time Analysis for the period from 3 March 2018 to 17 July 2018

Time Entry - Detailed SIP9 Time & Cost Summary

STOCK001 - Stockfords Rainwater Systems Limited

From: 03/03/2018 To: 17/07/2018

Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 : Administration & Planning	0.00	0.00	0.50	0.00	0.50	125.00	250.00
104 : Maintenance of records	0.00	0.00	0.00	1.20	1.20	168.00	140.00
113 : Dealing with Directors	0.00	0.00	1.30	0.00	1.30	325.00	250.00
138 : Admin - Six Monthly Review	0.00	0.00	1.60	0.00	1.60	400.00	250.00
141 : Admin - Case Specific Review	0.00	0.00	0.30	0.00	0.30	75.00	250.00
151 : Admin - Annual Progress Report - Liquidation	0.00	0.60	10.30	0.00	10.90	2,785.00	255.50
171 : Closing - Final Budget	0.00	0.00	2.40	0.00	2.40	600.00	250.00
173 : Closing - Final Progress Report - Liquidations	0.00	0.00	0.60	0.00	0.60	150.00	250.00
184 : Cashier - Client Account Reconciliations	0.00	0.00	0.00	1.90	1.90	266.00	140.00
186 : Cashier - Receipts	0.00	0.00	0.00	1.00	1.00	140.00	140.00
187 : Cashier - Payments	0.00	0.00	0.00	0.80	0.80	112.00	140.00
188 : Cashier - VAT 426/427/833	0.00	0.00	0.00	0.80	0.80	112.00	140.00
189 : Cashier - CT600	0.00	0.00	0.60	0.00	0.60	150.00	250.00
Administration & Planning	0.00	0.60	17.60	5.70	23.90	5,408.00	226.28
508 : Secured Creditors	0.00	0.00	0.60	0.00	0.60	150.00	250.00
Creditors	0.00	0.00	0.60	0.00	0.60	160.00	250.00
203 : Antecedent transactions	2.50	0.00	2.70	0.00	5.20	1,737.50	334.13
Investigations	2.50	0.00	2.70	0.00	5.20	1,737.50	334.13
303 : Debt collection	0.00	0.00	0.40	0.00	0.40	100.00	250.00
312 : Legal - Realisation of Assets	0.00	0.40	0.50	0.00	0.90	294.44	250.00
324 : Claims Against Directors	0.00	0.80	0.00	0.00	0.80	280.00	350.00
Realisations of Assets	0.00	1.20	0.90	0.00	2.10	645.00	307.14
Total Hours	2.50	1.80	21.80	5.70	31.80	7,940.50	249.70
Total Fees Claimed						75,821.40	

Stockfords Rainwater Systems Limited - In Liquidation

Joint Liquidators' Final Account to Creditors and Members

Appendix D

Cumulative Time Analysis for the period from 3 March 2014 to 17 July 2018

Time Entry - Detailed SIP9 Time & Cost Summary

STOCK001 - Stockfords Rainwater Systems Limited
From: 03/03/2014 To: 17/07/2018
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 : Administration & Planning	0.60	0.20	15.65	0.00	16.45	3,185.25	193.63
102 : Administrative set-up	0.00	0.00	1.50	0.00	1.50	282.50	175.00
103 : Appointment notification	0.60	0.20	1.50	0.00	2.30	552.50	240.22
104 : Maintenance of records	0.00	0.00	21.00	8.20	29.20	4,994.00	171.03
105 : Statutory reporting	2.60	1.40	17.00	0.60	21.60	4,654.00	215.46
106 : Cashiering	0.00	0.10	0.90	25.60	26.60	3,768.00	141.65
107 : Bordereau	0.00	0.00	1.80	0.00	1.80	345.50	191.94
108 : Case Review / Diary	4.70	1.50	20.30	0.00	26.50	6,098.00	230.11
109 : Dealing with Debtor / Directors	3.70	0.90	6.07	0.00	10.67	2,795.95	262.04
112 : Dealing with Existing Advisors	0.00	0.00	4.30	0.00	4.30	785.50	182.67
113 : Dealing with Directors	0.00	0.40	5.30	0.00	5.70	1,259.00	220.88
115 : Insurance	0.00	0.00	0.30	0.00	0.30	55.50	185.00
120 : General Correspondence	0.00	0.00	0.00	0.00	0.00	832.50	252.27
123 : Appt Holder VAT and Tax Returns	0.00	3.30	0.00	0.00	3.30	1,116.50	166.64
125 : Statutory meetings	0.30	0.00	3.00	3.40	6.70	1,062.50	212.50
135 : Admin - IPS Diary Maintenance	0.00	2.50	2.50	0.00	5.00	775.00	250.00
138 : Admin - Six Monthly Review	0.00	0.00	0.30	0.00	0.30	75.00	250.00
139 : Admin - Annual Review	0.00	0.00	3.10	0.00	3.10	775.00	250.00
140 : Admin - Post Year 1 BI-Annual Review	0.00	0.00	4.80	0.00	4.80	1,200.00	250.00
141 : Admin - Case Specific Review	0.00	0.70	0.00	0.00	0.70	245.00	350.00
151 : Admin - Annual Progress Report - Liquidation	0.00	0.00	8.90	0.00	8.90	2,225.00	250.00
155 : Admin - Annual Progress Report - BKY	0.00	1.20	18.50	0.00	19.70	5,045.00	256.09
160 : Admin - Appointment Holder CT600	0.00	0.00	6.60	0.00	6.60	1,650.00	250.00
171 : Closing - Final Budget	0.00	0.00	0.50	0.00	0.50	125.00	250.00
175 : Closing - Final Progress Report - Liquidations	0.00	0.00	2.40	0.00	2.40	600.00	250.00
181 : Bonding - Bond Review	0.00	0.00	0.60	0.00	0.60	150.00	250.00
184 : Cashier - Client Account Reconciliations	0.00	0.00	1.00	0.00	1.00	250.00	250.00
186 : Cashier - Receipts	0.00	0.00	9.30	9.30	9.30	1,302.00	140.00
187 : Cashier - Payments	0.00	0.00	4.80	4.80	4.80	672.00	140.00
188 : Cashier - VAT 426/427/833	0.00	0.00	0.00	2.40	2.40	336.00	140.00
189 : Cashier - CT600	0.20	0.00	0.30	2.40	2.90	496.00	171.03
196 : Pensions - TPR Dealings	0.00	0.00	1.10	0.00	1.10	275.00	250.00
196 : Pensions - TPR Dealings	0.00	0.00	0.60	0.00	0.60	126.00	210.00
Administration & Planning	12.70	12.40	149.82	56.70	231.62	47,314.20	204.28
606 : Client Dealings/Communications	0.00	0.00	0.50	0.00	0.50	92.50	185.00
Case specific matters	0.00	0.00	0.50	0.00	0.50	92.50	185.00
500 : Creditors	0.20	0.30	5.00	0.00	5.50	1,139.50	207.18
501 : Communication with creditors	0.00	0.10	11.90	0.00	12.00	2,410.50	200.87
502 : Employee Claims	0.00	0.00	0.50	0.00	0.50	87.50	175.00
504 : Claims Trade and Expense	0.00	1.20	0.00	0.00	1.20	300.00	250.00
508 : Secured Creditors	0.00	0.00	1.60	0.00	1.60	342.50	214.06
519 : Claims - HMRC	0.00	0.00	0.30	0.00	0.30	63.00	210.00
Creditors	0.20	1.60	19.30	0.00	21.10	4,343.00	205.83
200 : Investigations	0.60	2.40	13.00	0.00	16.20	3,380.00	208.64
202 : CDDA reports	0.00	2.00	1.50	0.00	3.50	827.50	236.43
203 : Antecedent transactions	7.50	8.50	13.10	0.00	29.10	8,619.50	296.20

STOCK001 - Stockfords Rainwater Systems Limited
From: 03/03/2014 To: 17/07/2018
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Investigations	8.30	12.90	27.60	0.00	48.80	12,827.00	262.85
300 : Realisation of assets	0.40	4.90	46.70	4.30	56.30	10,709.50	190.22
302 : ROT	0.00	0.00	1.00	0.00	1.00	175.00	175.00
303 : Debt collection	14.00	1.70	21.60	0.80	37.90	10,227.00	269.84
304 : Sale of business and assets	0.60	0.00	0.00	0.00	0.60	240.00	400.00
310 : Antecedent Investigations and Realisations	0.00	0.40	0.00	0.00	0.80	224.00	280.00
312 : Legal - Realisation of Assets	0.00	1.80	1.10	0.00	2.90	905.00	312.07
314 : Legal - Debt Collection	0.00	0.00	0.00	0.20	0.20	70.00	350.00
320 : Overdrawn Director Loans	0.00	0.50	0.00	0.00	0.50	175.00	350.00
324 : Claims Against Directors	0.00	4.00	0.00	0.00	4.00	1,400.00	350.00
Realisations of Assets	15.00	13.50	70.80	4.90	104.20	24,125.50	231.53
Total Hours	36.20	40.40	268.02	61.60	406.22	88,702.20	218.36
Total Fees Claimed						75,621.40	

Stockfords Rainwater Systems Limited - In Liquidation

Joint Liquidators' Final Account to Creditors and Members

Appendix E

Additional Information in Relation to the Joint Liquidators' Fees, Expenses and Disbursements

Staff Allocation and the Use of Sub-Contractors

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

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

We have not utilised the services of any sub-contractors in this case.

Professional Advisors

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
JPS Chartered Surveyors (valuation and disposal advice)	Hourly rate, percentage of realisations and disbursements
EK Employment Law (employee consultancy)	Hourly rate and disbursements
Ward Hadaway Solicitors (legal advice plus debt collection)	Fixed Fee and disbursements plus percentage of realisations
JMW LLP (legal advice regarding Director's Loan Account collection)	Hourly rate and disbursements

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

Joint Liquidators' Expenses and Disbursements

An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

Stockfords Rainwater Systems Limited - In Liquidation

Joint Liquidators' Final Account to Creditors and Members

Agents' costs	4083.75	Nil	Nil	4083.75
Solicitors' costs – Ward Hadaway Solicitors	11175.74	Nil	Nil	11175.74
Solicitors' costs – JMW LLP	Nil	5000.00	Nil	5000.00
Search costs	12.00	Nil	Nil	12.00
Statutory advertising	165.66	Nil	Nil	165.66
Specific penalty bond	330.00	Nil	Nil	330.00
Courier Cost	54.24	Nil	Nil	54.24
Employee Consultants	748.90	Nil	Nil	748.90
Director Assistance with employee claims	700.00	Nil	Nil	700.00
Corporation Tax	5.34	Nil	Nil	5.34
Category 2 disbursements				
Registered Office Fee	120.00	Nil	Nil	120.00
Printing, postage and stationery	369.42	67.06	Nil	436.48
Travel Expenses	174.40	9.65	Nil	184.05
Storage	974.96	544.00	Nil	1518.96

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Liquidator's fees were approved by creditors.

Charge-Out Rates

Harrisons Business Recovery and Insolvency Limited's current charge-out rates effective from 1 July in each period are detailed below. Please note this firm records its time in minimum units of six minutes.

	2016/2017 £	2017/2018 £
Directors	305 – 550	305 – 550
Managers	250 – 350	250 – 350
Senior Case Supervisors	175 – 250	175 – 250
Case Supervisors	125 – 205	125 – 205
Assistants/Trainee Case Supervisors	100 – 150	100 – 150

Harrisons Business Recovery and Insolvency Limited Fee Policy

1. Charge out rates and policy regarding staff allocation, support staff, the use of subcontractors and the recharge of disbursements.

The following information relating to the policy of Harrisons Business Recovery and Insolvency Limited is considered to be relevant: -

2. **Charge out rates**

The following hourly charge out rates apply to all assignments undertaken by Harrisons Business Recovery and Insolvency Limited. Please note that the charge-out rates are effective from 1 July in each period:-

	2016/2017 £	2017/2018 £
Directors	305 – 550	305 – 550
Managers	250 – 350	250 – 350
Senior Case Supervisors	175 – 250	175 – 250
Case Supervisors	125 – 205	125 – 205
Assistants/Trainee Case Supervisors	100 – 150	100 – 150

Please note that Harrisons Business Recovery and Insolvency Limited records its time in minimum units of 6 minutes.

Creditors Guide to Fees can be accessed at [www.icaew.co.uk/en/technical/insolvency/creditor-guides-or-
www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees](http://www.icaew.co.uk/en/technical/insolvency/creditor-guides-or-www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees)

3. **Staff allocation, support staff & the use of subcontractors**

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is charged. Details of any subcontractor(s) used are given in the attached report.

4. **Professional advisors**

Details of any professional advisor(s) used are given in the attached report. Unless otherwise indicated the fee arrangement for each will be based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors will be based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographical location.

5. **Disbursements**

Specific expenditure relating to the administration of a particular case is recoverable without approval and is referred to as "category 1 disbursements". Category 1 disbursements will generally comprise supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses. Included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Where we propose to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by us) they must be disclosed and be authorised by those responsible for approving the insolvency practitioners' remuneration. Such expenditure is referred to as a "category 2 disbursement". The following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:-

Photocopying	15p a sheet
Letterhead	12p a sheet
Fax	40p a sheet
Mileage	65p per mile
Meeting Room	£50
Registered Office Fee	£60 per annum
Document Storage	Storage charge of £3 per box per quarter



Guidance Note

LIQUIDATIONS A CREDITOR'S GUIDE TO INSOLVENCY PRACTITIONERS' FEES

Amended for changes introduced by
The Insolvency (England and
Wales) Rules 2016

6 April 2017

LIQUIDATIONS - A CREDITORS' GUIDE TO INSOLVENCY PRACTITIONERS' 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 (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. It should be noted that this guide does not extend to members' voluntary liquidations 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 the majority of creditors request the appointment of an insolvency practitioner, an insolvency practitioner will usually be appointed to act as liquidator in place of the official receiver. Where an insolvency practitioner is not appointed the official receiver remains 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 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 fees

4.1 Basis

4.1.1 The basis for fixing the liquidator's fees is set out in Rules 18.16, 18.17, 18.19 and 18.20 of the Insolvency (England and Wales) Rules 2016. The Rules state that the basis of fees must be fixed:

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

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

4.2 Advance information where fees are not based on time costs

4.2.1 Prior to the determination of the basis of fees, 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.

4.3 Fees estimates where fees are to be based on time costs

4.3.1 Where the liquidator proposes to take fees 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.

4.3.2 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 fees?

4.4.1 It is for the liquidation committee (if there is one) to determine on which of these bases, or combination of bases, the fees are to be fixed. Where it is fixed as a set amount or a percentage, it is for the committee to determine the amount, percentage or percentages to be applied. Rule 18.16 says that in arriving at its decision the committee shall have regard to the following matters:

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

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

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

4.4.3 If the fees are 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 fees 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 calculated in accordance with a scale set out in the Rules.

4.4.4 Where the liquidation follows directly on from an administration in which the liquidator had acted as administrator, the basis of fees fixed in the administration continues to apply in the liquidation).

5. Review of fees

5.1 Where there has been a material and substantial change in circumstances since the basis of the liquidator's fees were fixed, the liquidator may request that it be changed. The request must be made to the same body as initially approved the fees, 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 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 A proposed liquidator may issue a fees estimate to creditors prior to being appointed liquidator.

6.1.3 The liquidator should disclose:

- payments, fees 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 fees or who provide services to the liquidator in respect of the insolvency appointment where the relationship could give rise to a conflict of interest.

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.

6.1.5 Where the liquidator sub-contracts out work that could otherwise be carried out by the liquidator or his 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; and 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 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 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).

6.2.2 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 fees.

6.2.3 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 fees estimate, the liquidator should supply that information in sufficient time to facilitate those with the authority to approve fees 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.

6.3.2 When subsequently reporting to creditors, the actual hours and average rate (or rates) of the costs charged for each activity should be provided for comparison.

6.4 Disbursements

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

- Category 1 disbursements: These are payments to independent third parties where there is specific expenditure directly referable to the liquidation. Category 1 disbursements can be drawn without prior approval, although the liquidator should be prepared to disclose information about them in the same way as any other expenses.
- Category 2 disbursements: These are costs that are directly referable to the liquidation but not to a payment to an independent third party. They may include shared or allocated costs that may be incurred by the liquidator or their firm, and that can be allocated to the liquidation on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as a liquidator's fees.

6.4.2 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.

6.4.3 The following are not permissible as disbursements:

- a charge calculated as a percentage of fees;
- an administration fee or charge additional to the liquidator's fees; recovery of basic overhead costs such as office and equipment rental, depreciation and finance charges.

6.5 Payment of pre-appointment expenses

6.5.1 The following categories of expenses may be paid out of the company's assets, either before or after the commencement of the winding up, as an expense of the winding up:

- any reasonable and necessary expenses of preparing the statement of affairs
- any reasonable and necessary expenses of the decision procedure or deemed consent procedure to seek a decision from the creditors on the nomination of 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), he should disclose the amount of that remuneration in any reports he sends 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;
- 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' rights to request further information, as explained in paragraph 8.2, and their right to challenge the liquidator's fees and expenses.

8.2 Within 21 days of receipt of a progress report a creditor may request the liquidator to provide further information about the fees and expenses set out in the report. A request must be in writing, and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court.

8.3 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 some or all of the information.

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

9. Provision of information – additional requirements

9.1 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.

9.2 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.

9.3 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.

9.4 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.

10. What if a creditor is dissatisfied?

10.1 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.

10.2 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 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 fees 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 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.
- 10.5 On receipt of the liquidator's final account creditors have 8 weeks in which they may challenge the liquidator's fees and expenses as set out above.
11. **What if the liquidator is dissatisfied?**
 - 11.1 If the liquidator considers that the fees 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 decision of the creditors. If he considers that the fees 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 fees**
 - 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 fee payable should be apportioned. Any dispute between them may be referred to the court, the committee or the creditors.
 - 12.3 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.
 - 12.4 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.
 - 12.5 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.

13. Effective date

This guide applies where a liquidator is appointed on or after 1 October 2015, or where information is provided by the liquidator about fees, expenses or other payments after 6 April 2017.