Form 4 68

The Insolvency Act 1986

Liquidator's Statement of Receipts and Payments Pursuant to Section 192 of The Insolvency Act 1986

S.192

For Official Use

To the Registrar of Companies

Company Number

06477074

Name of Company

AMI Environmental Limited formerly Amico (UK) 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 statement of receipts and payments under section 192 of the Insolvency Act 1986

Signed [signature] Date 17 June 2016.

Walsh Taylor
Oxford Chambers
Oxford Road
Guiseley
Leeds
LS20 9AT

Ref AMI0001/KB/PS/VP/DG

For Official Use

Insolvency Sect | Post Room

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COMPANIES HOUSE

Statement of Receipts and Payments under section 192 of the Insolvency Act 1986

Name of Company	AMI Environmental Limited formerly Amico (UK) Limited
Company Registered Number	06477074
State whether members' or creditors' voluntary winding up	Creditors
Date of commencement of winding up	22 December 2009
Date to which this statement is brought down	21 December 2015

Name and Address of Liquidator

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

NOTES

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

Form and Contents of Statement

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

Trading Account

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

Dividends

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

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

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

Liquidator's statement of account
under section 192 of the Insolvency Act 1986

Realisations

Date	Of whom received	Nature of assets realised	Amount
		Brought Forward	35,716 28
31/12/2014	Yorkshire Bank	Bank Interest Gross	0 24
30/01/2015	Yorkshire Bank	Bank Interest Gross	0 24
27/02/2015	Yorkshire Bank	Bank Interest Gross	0 22
31/03/2015	Yorkshire Bank	Bank Interest Gross	0 24
30/04/2015	Ward Hadaway	Book Debts	15,964 00
30/04/2015	Yorkshire Bank	Bank Interest Gross	0 24
29/05/2015	Yorkshire Bank	Bank Interest Gross	0 24
30/06/2015	Yorkshire Bank	Bank Interest Gross	0 13
01/07/2015	Yorkshire Bank	Bank Interest Gross	0 25
04/08/2015	HMRC	Vat Control Account	2,833 34
08/10/2015	Ward Hadaway	Book Debts	2,500 00
		Carried Forward	57,015 42

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

Form 4 68 cont'd

Disbursements

Date	To whom paid	Nature of disbursements	Amount
		Brought Forward	34,564 49
13/05/2015	Walsh Taylor Fees	Liquidators Fees	13,333 33
13/05/2015	Walsh Taylor Fees	Vat Receivable	2,666 67
17/06/2015	Walsh Taylor Fees	Liquidators Fees	833 33
17/06/2015	Walsh Taylor Fees	Vat Receivable	166 67
10/08/2015	Walsh Taylor 10672	Liquidators Fees	2,083 33
10/08/2015	Walsh Taylor 10672	Vat Receivable	416 67
17/09/2015	Walsh Taylor 10784	Liquidators Fees	333 33
17/09/2015	Walsh Taylor 10784	Vat Receivable	66 67
20/10/2015	Walsh Taylor 10867	Liquidators Fees	2,083 33
20/10/2015	Walsh Taylor 10867	Vat Receivable	416 67
		Carried Forward	56,964 49

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

Analysis of balance

		£
Total realisations		57,015 42
Total disbursements		56,964 49
Balance £		50 93
This balance is made up as follows		
1 Cash in hands of liquidator		0 00
2 Balance at bank		50 93
3 Amount in Insolvency Services Account		0 00
	£	
4 Amounts invested by liquidator	0 00	
Less The cost of investments realised	0 00	
Balance		0 00
5 Accrued Items		0 00
Total Balance as shown above		50 93

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

The Liquidator should also state -

(1) The amount of the estimated assets and liabilities at the date of the commencement of the winding up

	£
Assets (after deducting amounts charged to secured creditors including the holders of floating charges)	125,510 00
Liabilities - Fixed charge creditors	112,292 00
Floating charge holders	0 00
Preferential creditors	0 00
Unsecured creditors	286,084 00

(2) The total amount of the capital paid up at the date of the commencement of the winding up -

Paid up in cash	99 00
Issued as paid up otherwise than for cash	0 00

(3) The general description and estimated value of any outstanding assets (if there is insufficient space here, attach a separate sheet)

N/A

(4) Why the winding up cannot yet be concluded

To be closed once clsoing formalities have taken place

(5) The period within which the winding up is expected to be completed

3 months

AMI Environmental Limited formerly Amico (UK) Limited - In Liquidation

Company No: 06477074

<u>Liquidator's Annual Report to Creditors</u>

Pursuant to S105 of the Insolvency Act 1986

17 June 2016

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

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ENCLOSURES

A Receipts and Payments Account for the Period 22 December 2014 to 21 December 2015, together with cumulative totals

B Time Analysis for the Period 22 December 2014 to 21 December 2015, together with cumulative totals

C Liquidator's Disbursements and Expenses

D Notice of Annual Meeting, Form of Proxy & Proof of Debt

E 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 AMI Environmental Limited formerly Amico (UK) Limited (the **Company**) At the first meeting of creditors held on 22 December 2009 Mr T Calverley of Walsh Taylor was appointed Liquidator of the Company

1 2 I was appointed Liquidator of the Company by Order of the High Court on 28 March 2011 replacing Mr T Calverley The effect of the Order is that Mr Calverley ceased to be Liquidator on that date and I became Liquidator in his place A Copy of the Order will be made available upon receipt of a written request to this office

1 3 I enclose at Appendix A an account of the Liquidator's Receipts and Payments for the period ended 21 December 2015, and for the Liquidation as a whole, together with a comparison to the Director's Statement of Affairs values

2 Realisation of Assets

2 1 The Company's assets were shown by the Director in his estimated statement of affairs as at 22 December 2009 to be

Asset Type	Book Value £	Estimated to Realise £
Book Debts	100,510 00	NIL
Motor Vehicles	8,000 00	NIL
Cash Held for Sale of Assets	25,000 00	25,000 00

2 2 The Company's book debts were subject to an Invoice Factoring agreement with HSBC Bank PLC (HSBC) The Directors estimated statement of affairs indicated that HSBC would suffer a shortfall of approximately £2,090 HSBC collected out the Company's indebtedness in full, resulting in a surplus of £5,520 25 being paid into the Liquidation

2 3 On 26 March 2010 some 3 months after the date of Liquidation, HSBC forwarded the sum of £10,986 93 representing further monies that had been credited to the Company's account following my appointment as Liquidator This included further monies paid over by HSBC Invoice Finance totalling £6,096 09 The remainder of the funds relate to a small number of sundry book debts

2 4 The Company's motor vehicle was surrendered to Black Horse Finance who subsequently, after sale of the vehicle, lodged an unsecured claim in the liquidation for the shortfall in the sum of £278 56

2 5 As previously reported, the Company's assets were sold prior to the Liquidation in December 2008 for the sum of £25,000 This was listed as Cash held for sale of assets in the Director's Statement of Affairs, as it was believed that the monies were ready available to be paid into the Liquidation The Director, Mr Steven Winstone, undertook to pay this amount to the liquidator The Director initially paid the sum of £14,073 into the Liquidation claiming that this sum, together with the monies remitted to the Liquidator by HSBC, reflected payment in full in respect of these assets

2 6 Following a full investigation into the Company and its affairs by my appointed solicitor, it became apparent that the assets purchased were of a significantly higher value than that disclosed As such the Director was required to pay such monies into the Liquidation account to cover the costs of the same A figure of £50,000 on top of the initial £14,073 received was reached in full and final settlement, to be paid May 2016 During the period of this report the sum of £18,464 has been received

2 7 The realisations of the Company are held in an interest bearing account, to date interest of £23 88 has been paid into the Liquidation

2 8 Total asset realisations achieved to this Liquidation to date are therefore £49,068 06

2 9 Following the reporting period I can disclose that the full balance of the settlement figure has been received

3 Investigations

3 1 In accordance with the Company Directors Disqualification Act 1986 the liquidator has submitted a report on the conduct of the Director of the Company to the Department for Business, Innovation and Skills ("BIS") 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 Director, 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 Solicitors were instructed to collect the remaining monies due from the Director in respect of his acquisition of the Company's plant and equipment Other avenues of investigation included the concern of the wider issue of plant & machinery sold and/or transferred prior to liquidation and with regard to the use of a prescribed Company name under the provisions of S216 of the Insolvency Act 1986

3 4 During the period of this report, my solicitor has undertaken extensive investigations into this matter The outcome as detailed above has resulted in a full and final settlement, with a payment plan agreed between all parties This concludes investigations in this matter

4 Creditors

Secured Creditors and the Prescribed Part

4 1 HSBC were paid in full under the terms of the Factoring Agreement Therefore, the prescribed part calculation is not applicable as there are no outstanding floating charge creditors

Preferential Creditors

4 2 There are no preferential claims in this Liquidation

Unsecured Creditors

4 3 To date, unsecured claims in the sum of £307,877 15 have been received, compared with estimated unsecured claims per Statement of affairs of £185,574

Notice of No Dividend

4 4 All assets have been realised and have contributed towards defraying the administrative costs of the liquidation

4 5 Accordingly, Formal Notice is hereby given in accordance with Rule 11 7 that no funds are expected to become available to enable any form of distribution to be made to any form of creditor

5 Liquidator's Remuneration, Disbursements & Expenses

Basis of the Liquidator's remuneration

5 1 At the initial meeting of creditors held pursuant to Section 98 of the Act on 22 December 2009 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 his disbursements would be drawn in accordance with Walsh Taylor's standard tariff (see Appendix D)

5 2 The aforementioned bases of remuneration and disbursements also apply to myself as successor Liquidator

Remuneration and disbursements incurred and drawn

5 3 During the period of this report, Liquidator time costs are in the sum of £5,232 50, which is made up of 30 50 hours at an average hourly rate of £171 66 During the period of this report the sum of £18,666 65 has been drawn in relation to Liquidators fees

5 4 Total time costs incurred since the date of my appointment are in the sum of £56,526 17 in respect of 309 28 hours at an average hourly rate of £182 77 Total remuneration drawn since the date of my appointment is £44,618 55

5 5 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

Liquidation expenses charged and drawn

5 6 Details of the costs incurred and paid by the Liquidator in relation to liquidation expenses are attached at Appendix C

5 7 I comment specifically that at the first meeting of creditors held on 22 December 2009 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 and disbursements

5 8 The sum of £10,000 has been drawn in this respect

5 9 Walsh Taylor's charge out rates were increased on 01 February 2016 A copy of the same are enclosed

Creditors' Guide to Fees and Statement of Creditors' rights

5 10 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 Following the period of this report the full and final settlement figure has been received in full, therefore asset realisations and investigations have concluded

6 2 I estimate that this matter will be closed within the next three months once the closing formalities have been finalised

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

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AMI Environmental Limited formerly Amico (UK) Limited
(In Liquidation)

LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 22/12/2014 To 21/12/2015 £	From 22/12/2009 To 21/12/2015 £
RECEIPTS			
Ford Galaxy Vehicle	8,000 00	0 00	0 00
Cash at Bank		0 00	10,986 93
Book Debts	100,510 00	18,464 00	23,984 25
Cash held for sale of assets	25,000 00	0 00	14,073 00
Bank Interest Gross		1 80	23 88
		18,465 80	49,068 06
PAYMENTS			
HSBC Invoice Finance	(102,600 00)	0 00	0 00
Black Horse	(9,692 00)	0 00	0 00
Company Search		0 00	5 00
Specific Bond		0 00	428 00
Liquidators Fees		18,666 65	44,618 65
DVLA		0 00	25 00
Agents/Valuers Fees (1)		0 00	1,300 00
Legal fees		0 00	1,011 70
Tax on Bank Interest		0 00	1 31
Stationery & Postage		0 00	323 33
Statutory Advertising		0 00	404 13
Trade & Expense Creditors	(149,792 00)	0 00	0 00
Directors	(32,000 00)	0 00	0 00
99 Ordinary Shares of £1 each	(99 00)	0 00	0 00
		18,666 65	48,117 12
Net Receipts/(Payments)		(200 85)	950 94
MADE UP AS FOLLOWS			
Bank Current a/c		(1,100 86)	50 93
VAT Receivable / (Payable)		900 01	900 01
		(200 85)	950 94

Kate Elizabeth Breese
Liquidator

Time Entry - SIP9 Time & Cost Summary

AMI0001 - AMI Environmental Limited formerly Amico (UK) Limited
Project Code POST
From 22/12/2014 To 21/12/2015

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Cashier	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	1 10	1 30	0 00	12 50	0 00	14 90	2 163 50	145 20
Case Specific Matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Cashier	0 40	1 70	0 00	2 40	0 80	5 30	949 00	179 06
Creditors	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Investigations	0 00	6 50	0 00	2 20	0 00	8 70	1 705 00	195 98
Realisation of Assets	1 10	0 50	0 00	0 00	0 00	1 60	418 00	261 25
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours	**2 60**	**10 00**	**0 00**	**17 10**	**0 80**	**30 50**	**5,235 50**	**171 66**
Total Fees Claimed							**0 00**	
Total Disbursements Claimed							**25,952 00**	

Time Entry - SIP9 Time & Cost Summary

AMI0001 - AMI Environmental Limited formerly Amico (UK) Limited
Project Code POST
To 21/12/2015

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Cashier	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	40 40	53 25	0 00	97 23	0 50	191 38	33 964 17	177 47
Case Specific Matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Cashier	3 50	2 10	0 00	34 00	12 30	51 90	7 406 50	142 71
Creditors	2 20	1 10	0 00	3 00	0 00	6 30	1 259 00	199 84
Investigations	23 90	12 20	0 00	7 00	0 00	43 10	10 096 50	234 26
Realisation of Assets	6 70	8 40	0 00	1 30	0 00	16 40	3 764 00	229 51
Trading	0 00	0 20	0 00	0 00	0 00	0 20	36 00	180 00
Total Hours	**76 70**	**77 25**	**0 00**	**142 53**	**12 80**	**309 28**	**56,526 17**	**182 77**
Total Fees Claimed							**0 00**	
Total Disbursements Claimed							**25,952 00**	

 Version 15-01-14 11 May 2016 10 44

AMI Environmental Limited (IN LIQUIDATION) **Appendix C**

Liquidator's disbursements and expenses to 21 December 2015

Disbursements incurred and paid

	Incurred £	Unpaid £	Written off £	Paid £
Category 1				
Insolvency bond Calverly	370 00	0 00	0 00	370 00
Insolvency bond Breese	58 00	0 00	0 00	58 00
Postage	119 98	64 48	0 00	55 50
Company search	5 00	0 00	0 00	5 00
Advertising	404 13	0 00	0 00	404 13
	957 11	64 48	0 00	892 63
Category 2				
Stationery	437 38	170 55	0 00	266 83
Facsimile	1 00	0 00	0 00	1 00
	437 38	170 55	0 00	266 83

Expenses incurred and paid

Expense	Paid to	Basis of payment
Insolvency bond Calver	Lloyds Underwriters	Premium
Insolvency bond Breese	QBE	Premium
Solicitors fees	Ward Hadaway	Legal Fees
Agent Fees	Fox Lloyd Jones	Assistance Fees
Pre liquidation disbs	Walsh Taylor	Approved by creditors on 22 December 2009
Pre liquidation fees	Walsh Taylor	Approved by creditors on 22 December 2009
Statutory advertising	Courts Advertising	Statutory payment - set tariff

	Incurred £	Unpaid £	Written off £	Paid £
Legal Fees	1,011 70	0 00	0 00	1,011 70
Agent Fees	1,300 00	0 00	0 00	1,300 00
	2,311 70	0 00	0 00	2,311 70

AMI ENVIRONMENTAL LIMITED FORMERLY AMICO (UK) LIMITED – IN LIQUIDATION – THE COMPANY

NOTICE CONVENING ANNUAL MEETINGS OF CREDITORS & MEMBERS

PURSUANT TO S.106 INSOLVENCY ACT 1986

NOTICE IS HEREBY GIVEN that annual meetings of members and creditors of the Company will be held at the offices of Walsh Taylor, Oxford Chambers, Oxford Road, Guiseley, Leeds LS20 9AT on 18 July 2016 at 10 00am and 10 15am respectively, for the purposes of receiving a report and account by the liquidator showing the manner in which the winding-up of the Company has been conducted, the property of the Company disposed of and to receive any explanation regarding the conduct of the liquidation

The following resolutions will be put to the meeting

a) That the Liquidator's Receipts and Payments account to 21 December 2015 and annual report be approved,

A member or creditor entitled to attend and vote at the above meetings may appoint a proxy to attend and vote in his place It is not necessary for the proxy to be a member or creditor Proxy forms must be returned to the offices of Walsh Taylor at the above address by no later than 12 00noon on 15 July 2016

DATED THIS 17th day of June 2016

Kate E Breese____________________
Liquidator

Rule 8.1

INSOLVENCY ACT 1986

Proxy (Members' or Creditors' Voluntary Winding Up)

AMI ENVIRONMENTAL LIMITED FORMERLY AMICO (UK) LIMITED – IN LIQUIDATION

Notes to help completion of form

Please give full name and address for communication

Name of creditor / ____________________

Address ____________________

____

____

Post Code ____________________

Please insert name of person (who must be 18 or over) or the "chairman of the meeting" (see note below) If you provide for alternative proxy-holders in the circumstances that your first choice is unable to attend please state name(s) of the alternatives as well

Name of proxy-holder ____________________

1 ____________________

2 ____________________

3 ____________________

Please delete words in brackets if the proxy-holder is only to vote as directed i e he has no discretion

I appoint the above person to be my/the creditor's/member's proxy-holder at the meeting of creditors/members to be held on 18 July 2016 or at any adjournment of that meeting The proxy-holder is to propose or vote as instructed below [and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion]

Any resolutions which the proxy-holder is to propose or vote in favour of or against should be set out in numbered paragraphs in the space provided If more room is required please use the other side of this form

Voting instructions for resolutions

Resolution

That the Liquidator's Receipts and payments account to 21 December 2015 and annual report be approved

Approved/ Rejected

This form must be signed

Signature ____________________ Date ____________________

Name in CAPITALS ____________________

Only to be completed if the creditor/member has not signed in person

Position with creditor/member or relationship to creditor/member of other authority for signature

____

Please note that if you nominate the chairman of the meeting to be your proxy-holder, he will be the liquidator or his representative

Remember there may be resolutions on the other side of this form

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 Basis

The basis for fixing the liquidator s remuneration is set out in Rules 4 127 – 4 127B of the Insolvency Rules 1986 The Rules state that the remuneration shall be fixed

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

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

4 2 Advance information where remuneration not based on time costs

Prior to the determination of the basis of remuneration the liquidator must give the creditors details of the work the liquidator proposes to undertake and the expenses he considers will be, or are likely to be incurred However where the liquidator proposes to take any part or all of his remuneration on a time cost basis he must provide more detailed information in the form of a 'fees estimate' as explained below

4 3 Fees estimates where remuneration to be based on time costs

Where the liquidator proposes to take remuneration based on time costs he must first provide the creditors with detailed information in the form of a fees estimate A fees estimate is a written estimate that specifies –

- details of the work the liquidator and his staff propose to undertake,
- the hourly rate or rates the liquidator and his staff propose to charge for each part of that work
- the time the liquidator anticipates each part of that work will take
- whether the liquidator anticipates it will be necessary to seek approval or further approval under the Rules, and
- the reasons it will be necessary to seek such approval

In addition the liquidator must give the creditors details of the expenses he considers will be or are likely to be incurred

4 4 Who fixes the remuneration

It is for the liquidation committee (if there is one) to determine on which of these bases or combination of bases the remuneration is to be fixed Where it is fixed as a percentage it is for the committee to determine the percentage or percentages to be applied Rule 4 127 says that in arriving at its decision the committee shall have regard to the following matters

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

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

4 5 If there is no liquidation committee or the committee does not make the requisite determination the liquidator s remuneration may be fixed by a resolution of the creditors The creditors take account of the same matters as apply in the case of the committee A resolution specifying the terms on which the liquidator is to be remunerated may be taken at the meeting which appoints the liquidator

4 6 If the remuneration is not fixed as above it will be fixed in one of the following ways In a CVL it will be fixed by the court on application by the liquidator but the liquidator may not make such an application unless he has first tried to get his remuneration fixed by the committee or creditors as described above and in any case not later than 18 months after his appointment In a compulsory liquidation it will be in accordance with a scale set out in the Rules

4 7 Where the liquidation follows directly on from an administration in which the liquidator had acted as administrator the basis of remuneration fixed in the administration continues to apply in the liquidation (subject to paragraph 8 below)

5 **Review of remuneration**

Where there has been a material and substantial change in circumstances since the basis of the liquidator's remuneration was fixed the liquidator may request that it be changed The request must be made to the same body as initially approved the remuneration and the same rules apply as to the original approval

6 **What information should be provided by the liquidator?**

6 1 **General principles**

6 1 1 The liquidator should provide those responsible for approving his remuneration with sufficient information to enable them to make an informed judgement about the reasonableness of the liquidator's request The information should be presented in a manner which is transparent consistent throughout the life of the case and useful to creditors while being proportionate to the circumstances of the case

6 1 2 The liquidator should disclose

- payments remuneration and expenses arising from the administration paid to the liquidator or his or her associates
- any business or personal relationships with parties responsible for approving the liquidator s remuneration or who provide services to the liquidator in respect of the insolvency appointment where the relationship could give rise to a conflict of interest

The liquidator should inform creditors of their rights under insolvency legislation and should advise them how they may access suitable information setting out their rights within the first communication with them and in each subsequent report

6 1 3 Where the liquidator sub-contracts out work that could otherwise be carried out by the liquidator or his or her staff this should be drawn to the attention of creditors with an explanation of why it is being done

6 2 **Key Issues**

6 2 1 The key issues of concern to those with a financial interest in the level of payments from the insolvency estate will commonly be

- the work the liquidator anticipates will be done and why that work is necessary
- the anticipated cost of that work including any expenses expected to be incurred in connection with it
- whether it is anticipated that the work will provide a financial benefit to creditors and if so what benefit (or if the work provided no direct financial benefit but was required by statute)
- the work actually done and why that work was necessary
- the actual costs of the work including any expenses incurred in connection with it as against any estimate provided
- whether the work has provided a financial benefit to creditors and if so what benefit (or if the work provided no direct financial benefit but was required by statute)

When providing information about payments, fees and expenses the liquidator should do so in a way which facilitates clarity of understanding of these key issues Narrative explanations should be provided to support any numerical information supplied Where it is practical to do so, the liquidator should provide an indication of the likely return to creditors when seeking approval for the basis of his remuneration

6 2 2 When approval for a fixed amount or a percentage basis is sought the liquidator should explain why the basis requested is expected to produce a fair and reasonable reflection of the work that the liquidator anticipates will be undertaken

6 3 **Fee estimates and subsequent reports**

6 3 1 When providing a fee estimate the liquidator should supply that information in sufficient time to facilitate that body making an informed judgement about the reasonableness of the liquidator's requests The estimate should clearly describe what activities are anticipated to be conducted in respect of the estimated fee When subsequently reporting to creditors, the actual hours and average rate (or rates) of the costs charged for each activity should be provided for comparison

6 4 **Disbursements**

6 4 1 Costs met by and reimbursed to the liquidator in connection with the liquidation will fall into two categories

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

When seeking approval the liquidator should explain for each category of cost the basis on which the charge is being made If the liquidator has obtained approval for the basis of Category 2 disbursements, that basis may continue to be used in a sequential appointment where further approval of the basis of remuneration is not required or where the liquidator is replaced

6 4 2 The following are not permissible as disbursements

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

6 5 **Realisations for secured creditors**

Where the liquidator realises an asset on behalf of a secured creditor and receives remuneration out of the proceeds (see paragraph 11 1 below) he should disclose the amount of that remuneration to the committee (if there is one) to any meeting of creditors convened for the purpose of determining his fees and in any reports he sends to creditors

7 **Exceeding the amount set out in the fees estimate**

Remuneration must not exceed the fees estimate without approval by the body which fixed the original basis of the remuneration The request for approval must specify –

- the reason why the liquidator has exceeded, or is likely to exceed the fees estimate
- the additional work the liquidator has undertaken or proposes to undertake
- the hourly rate or rates the liquidator proposes to charge for each part of that *additional work*
- the time that additional work has taken or the liquidator anticipates that work will take
- whether the liquidator anticipates that it will be necessary to seek further approval, and
- the reasons it will be necessary to seek further approval

8 **Progress reports and requests for further information**

8 1 The liquidator is required to send annual progress reports to creditors The reports must include

- details of the basis fixed for the remuneration of the liquidator (or if not fixed at the date of the report the steps taken during the period of the report to fix it)
- if the basis has been fixed the remuneration charged during the period of the report irrespective of whether it was actually paid during that period (except where it is fixed as a set amount in which case it may be shown as that amount without any apportionment for the period of the report)
- if the report is the first to be made after the basis has been fixed the remuneration charged during the periods covered by the previous reports together with a description of the work done during those periods irrespective of whether payment was actually made during the period of the report,
- a statement of the expenses incurred by the liquidator during the period of the report irrespective of whether payment was actually made during that period
- where appropriate a statement –

  that the remuneration *anticipated to be charged is likely to exceed the fees* estimate or any approval given for remuneration exceeding the estimate
  that expenses incurred or anticipated to be incurred are likely to exceed or have exceeded, the details given to the creditors prior to the determination of the basis of remuneration and
  the reason for that excess

- a statement of the creditors rights to request further information as explained in paragraph 8 2 and their right to challenge the liquidator s remuneration and expenses

8 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

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 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

9 **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

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 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

10 2 If a creditor believes that the liquidator's remuneration is too high the basis is inappropriate or the expenses incurred by the liquidator are in all the circumstances excessive he may provided certain conditions are met apply to the court

10 3 Application may be made to the court by any secured creditor or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree or he has the permission of the court Any such application must be made within 8 weeks of the applicant receiving the liquidator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 8 1 above) If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the liquidator a copy of the application and supporting evidence at least 14 days before the hearing

10 4 If the court considers the application well founded it may order that the remuneration be reduced the basis be changed or the expenses be disallowed or repaid Unless the court orders otherwise the costs of the application must by paid by the applicant and not out of the assets of the insolvent company

11 What if the liquidator is dissatisfied?

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

12 Other matters relating to remuneration

12 1 Where the liquidator realises assets on behalf of a secured creditor he is entitled to be remunerated out of the proceeds of sale in accordance with a scale set out in the Rules Usually however the liquidator will agree the basis of his fee for dealing with charged assets with the secured creditor concerned

12 2 Where two (or more) joint liquidators are appointed it is for them to agree between themselves how the remuneration payable should be apportioned Any dispute between them may be referred to the court the committee or a meeting of creditors

12 3 If the appointed liquidator is a solicitor and employs his own firm to act in the insolvency, profit costs may not be paid unless authorised by the committee the creditors or the court

12 4 If a new liquidator is appointed in place of another, any determination resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new liquidator until a further determination resolution or court order is made

12 5 Where the basis of the remuneration is a set amount and the liquidator ceases to act before the time has elapsed or the work has been completed for which the amount was set application may be made for a determination of the amount that should be paid to the outgoing liquidator The application must be made to the same body as approved the remuneration Where the outgoing liquidator and the incoming liquidator are from the same firm they will usually agree the apportionment between them

12 6 There may also be occasions when creditors will agree to make funds available themselves to pay for the liquidator to carry out tasks which cannot be paid for out of the assets either because they are deficient or because it is uncertain whether the work undertaken will result in any benefit to creditors Arrangements of this kind are sometimes made to fund litigation or investigations into the affairs of the insolvent company Any arrangements of this nature will be a matter for agreement between the liquidator and the creditors concerned and will not be subject to the statutory rules relating to remuneration

13 Effective date

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

Appendix

Suggested format for the provision of information

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

Narrative overview of the case

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

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

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

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

Time cost basis

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

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

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

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

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

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

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

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

- where cumulative time costs are and are expected to be less than £10 000 the liquidator should, as a minimum state the number of hours and average rate per hour and explain any unusual features of the case
- where cumulative time costs are or are expected to be between £10 000 and £50 000 a time and charge-out summary similar to that shown above will usually provide the appropriate level of detail (subject to the explanation of any unusual features),
- where cumulative time costs exceed or are expected to exceed £50 000 further and more detailed analysis or explanation will be warranted

Walsh Taylor

Walsh Taylor Insolvency Practitioners

Charge Out Rates

	Rate per hour £
Director/Insolvency Practitioner	300
Senior Manager	250
Manager	240
Senior Administrator	180
Administrator	150
Cashier	150
Support staff (inc secretarial)	125

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	£25 Initial case set up fee per corporate case £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