

2.23B

The Insolvency Act 1986

Notice of result of meeting of Creditors

Name of Company

Rochdale Hornets Football Club
Company Limited

Company number

00089733

In the
Leeds District Registry

(full name of court)

Court case number
86 of 2009(a) Insert full name(s)
and address(es) of the
administrator(s)I/We (a)
Peter O'Hara
O'Hara & Co
Wesley House
Huddersfield Road
Birstall
Batley
West Yorkshire, WF17 9EJSimon Weir
O'Hara & Co
Wesley House
Huddersfield Road
Birstall
Batley
West Yorkshire, WF17 9EJ

hereby report that a meeting of the creditors of the above company was held at

(b) Insert place of
meeting

(b) Wesley House

(c) Insert date of meeting

on (c) 3 April 2009 at which:

*Delete as applicable

*1. Proposals were approved

Signed

Joint Administrators

Dated

3/4/2009

3/4/2009

*Delete as applicable

A copy of the *original proposals / ~~modified proposals~~ / ~~revised proposals~~ is attached for those who did not receive such documents prior to the meeting**Contact Details:**

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form.

Peter O'Hara
O'Hara & Co
Wesley House
Huddersfield Road
Birstall
Batley
West Yorkshire, WF17 9EJ

DX Number

01924 477449
DX Exchange

AT6JN9MA

A67 06/05/2009 187
COMPANIES HOUSEA16 14/04/2009 96
COMPANIES HOUSEWhen you have completed and signed this form, please send it to the Registrar of Companies at:-
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED

IN ADMINISTRATION

Joint Administrators' Proposals

Under Paragraph 49 of Schedule B1 to the Insolvency Act 1986

The contents of this report are as follows:

1. Introduction
2. Statutory Information
3. Background and Events Leading Up To The Appointment
4. Extracts From Accounts
5. Conduct Of The Administration To Date
6. Sale Of Business
7. Denehurst Park (Rochdale) Limited
8. Future Conduct Of The Administration
9. Dividend Prospects For Creditors
10. Statement Of Affairs
11. Joint Administrators' Receipts And Payments Account
12. Joint Administrators' Remuneration
13. Summary Of The Joint Administrators' Proposals

1. **INTRODUCTION**

1.1 **Details of appointment**

Date of appointment: 23 January 2009

Court reference: High Court of Justice, Chancery Division, Leeds District Registry, number 86 of 2009

Administrators: Peter O'Hara and Simon Weir both of O'Hara & Co, Wesley House, Huddersfield Road, Birstall, Batley, West Yorkshire, WF17 9EJ

Authorising Body: Insolvency Practitioners Association

Appointed by: The appointment was made on the application of Kenneth Oldham, a Director of the Company, pursuant to Paragraph 22(2) of Schedule B1 of the Insolvency Act 1986.

1.2 The EC Regulations for Insolvency Proceedings apply to this report and that the proceedings will be the main proceedings as defined in Article 3(1) of the EC Regulations.

1.3 Peter O'Hara and Simon Weir both of O'Hara & Co were appointed Joint Administrators of Rochdale Hornets Football Club Company Limited on 23 January 2009 in the Leeds District Registry.

1.4 A meeting of creditors of the Company will take place at Wesley House, Huddersfield Road, Birstall, Batley, West Yorkshire, WF17 9EJ, on 3 April 2009 at 10.00am. A notice convening the meeting, together with a form of proxy, is enclosed.

1.5 We can confirm that in preparing this report, we have relied upon information provided by the Directors, Management and our Agents. The Administrator's investigations are continuing and, accordingly, it has not been possible to verify all such information. The Administrators take no responsibility for the completeness or accuracy of this information or otherwise.

2. **STATUTORY INFORMATION**

Date of Incorporation: 1 August 1906

Registered Number: 00089733

Registered Office: Wesley House
Huddersfield Road
Birstall
Batley
WF17 9EJ

Trading Address: The Spotland Stadium
Sandy Lane
Rochdale
Lancashire
OL11 5DS

Principal Activity: Rugby League Club

Share Capital: Authorised share capital £1,000,000 ordinary shares of 50p each
Issued share capital £229,697

Directors: K Oldham
N L Halsall
J D Vining

3. **BACKGROUND AND EVENTS LEADING UP TO THE APPOINTMENT OF JOINT ADMINISTRATORS**

- 3.1 The Company was initially formed in approximately 1867 and was subsequently incorporated on 1 August 1906 under Company number 00089733 and since this time has operated as a Rugby League Football Club.
- 3.2 The Company traded from premises known as The Spotland Stadium, Sandy Lane, Rochdale, Lancashire, OL11 5DS.
- 3.3 The Company initially owned and operated out of The Athletics Ground, Milnrow Road, Rochdale. In 1988, the Company sold The Athletics Ground to Morrisons Supermarket for £2.6m. From the sale of the Company's ground, the Company used approximately £400,000 to purchase 47.5% shareholding in Denehurst Park (Rochdale) Limited, a property company who bought and developed the Spotland Stadium. The remainder of the shares in this company are owned by Rochdale Football Club (47.5%), who also play at the stadium and Rochdale Borough Council (5%).
- 3.4 The Company also used the proceeds of sale to invest in the Company and obtained a number of players. The balance of the money was used to settle the Company's historic trading debts.
- 3.5 As a result of the monies invested in the Club and the acquisition of a number of key players, the Company was promoted to the first division of the Rugby Football League at the end of 1989/1990. The Company thereafter played in this league in the season of 1990/1991. As result of the Company's success, the Company had a healthy fan base and following at this time.
- 3.6 Unfortunately the Company was relegated into the second division in the 1991/1992 season.
- 3.7 Following the introduction of The Super League in 1995, a number of clubs broke away from the Rugby Football League. On the setting up of the Super League, the Company played in the first division of the Rugby Football League and maintained its position in this league until 2007.
- 3.8 Unfortunately, in 2007 the Company was relegated to second division and this was the start of the Company's financial difficulties. As with all sporting clubs, the Company's economic success is very much determined by its performance on the pitch and, as a result of the relegation to the second division, the Company's following and therefore income significantly dropped.

3.9 As with many sporting clubs on relegation, the Company has lost a high proportion of its turnover. The Company has experienced a significant downturn in the number of supporters attending its matches resulting in the revenue from gate sales dropping. In addition, the number of supporters purchasing season tickets has dramatically decreased along with the sale of the Company's raffle tickets and merchandise. The downturn in supporter revenue has had a significant impact upon the Company's cash flow and as a result the Company experienced severe financial difficulties.

3.10 A winding up petition was presented on behalf of H M Revenue & Customs against the Company for £55,489 which was due to be heard on 14 January 2009.

3.11 As a result, O'Hara & Co were first approached by the Directors on 6 January 2009 to advise on the Company's affairs, leading ultimately to the appointment of Joint Administrators on 23 January 2009.

4. EXTRACTS FROM ACCOUNTS

4.1 Formal accounts have been produced for the year ended 31 May 2007.

	2007	2006
	£	£
<i>Fixed assets</i>		
Tangible assets	59,999	11,763
Investments	200,000	200,000
	<u>259,999</u>	<u>211,763</u>
<i>Current assets</i>		
Debtors	14,000	50,818
Cash at bank and in hand	14,300	283
	<u>28,300</u>	<u>51,101</u>
<i>Creditors</i>		
Amounts falling due within one year	<u>204,922</u>	<u>563,424</u>
<i>Net current liabilities</i>	<u>(176,622)</u>	<u>(512,323)</u>
<i>Total assets less current liabilities</i>	83,377	(300,560)
<i>Creditors</i>		
Amounts falling due after more than one year	345,873	1,451
<i>Net liabilities</i>	<u>(262,496)</u>	<u>(302,011)</u>

5. **CONDUCT OF THE ADMINISTRATION TO DATE**

5.1 Following our appointment, we took control of the business and assets of the Company with a view to establishing a strategy to meet the prioritised objectives of the Administration process:

- (a) Rescue the Company as a going concern; or
- (b) Achieve a better result for creditors as a whole than would be likely if the Company was wound up (without first being in Administration); or
- (c) Realise property in order to make a distribution to one or more secured or preferential creditors.

5.2 Our assessment of the financial position of the Company was that it was not possible to pursue the primary objective of rescuing the Company as a going concern.

6. **SALE OF THE BUSINESS**

6.1 Following the appointment of the Joint Administrators on 23 January 2009, offers from interested parties were sought in conjunction with the Rugby Football League. A sale was subsequently achieved on 13 February 2009 prior to the commencement of the 2009 playing season to a non related third party, Rochdale Hornets Rugby Football League Club Society Limited. The consideration for the sale of the assets was as follows:

	£
Customer list	1
Fixtures and fittings	1
Goodwill	12,997
Intellectual property	1
Plant and equipment	1,000
Stock	1,000
	<hr/>
	15,000
VAT	2,250
	<hr/>
	17,250

7. **DENEHURST PARK (ROCHDALE) LIMITED**

7.1 The Company owned 47.5% of the shares of Denehurst Park (Rochdale) Limited which is a Company that was incorporated in 1990 and owns the freehold of the Spotland Stadium Sports Ground at Sandy Lane, Rochdale. On 27 March 2008 the Rugby Football League lent the Club £120,000 plus interest accruing at 5% per year. Under the terms of the agreement, the Rugby Football League took security over the shares owned by the Company in Denehurst Park (Rochdale) Limited, and in accordance with the terms of the charge on the share the Company deposited with the Rugby Football League the share certificate representing the shares, together with a signed undated stock transfer form.

- 7.2 The Rugby Football League are now the beneficial owners of the shares with the legal title remaining vested in the Company on trust with the Rugby Football League. The Joint Administrators have taken steps to have the shareholding professionally valued by an independent body, Valuation Consulting, a subsidiary of BNP Paribas. The outcome of the share valuation is not available at present.

8. FUTURE CONDUCT OF THE ADMINISTRATION

- 8.1 It is proposed that the Joint Administrators will continue to manage the affairs, business and property of the Company in order to achieve the purpose of the Administration. This will include but not necessarily be limited to:
- i Obtaining a professional valuation of the Company's shareholding in Denehurst Park (Rochdale) Limited.
 - ii Finalising and paying all Administration liabilities.
 - iii Distributing funds to the preferential creditors in the event that they should arise.
 - iv Conducting investigations into the conduct of the Directors and management of the Company and report it to the Department of Trade & Industry pursuant to the Company Directors' Disqualification Act 1986.
 - v Dealing with the employee claims for redundancy and payment in lieu of notice.
 - vi Statutory reporting and compliance applications.
 - vii Dealing with ongoing retention of title issues should they arise.

9. DIVIDEND PROSPECTS FOR CREDITORS

- 9.1 It is unlikely there will be sufficient funds available to allow a distribution to the unsecured creditors upon the conclusion of the Administration.
- 9.2 The Administration will be concluded once all outstanding matters have been finalised.
- 9.3 The Administration will otherwise automatically end on 22 January 2010, although it can be extended by the preferential creditors or by the Court. In the event that the purpose of the Administration cannot be completed by 22 January 2010, we will seek an extension of time to complete our administration.

10. **STATEMENT OF AFFAIRS**

- 10.1 Attached to this report is a summary of the estimated statement of affairs as at 23 January 2009. The statement of affairs has been prepared with the assistance of the Director of the Company, but not yet sworn. This document has not been independently reviewed or subject to a statutory audit.

11. **JOINT ADMINISTRATOR'S RECEIPTS AND PAYMENTS ACCOUNT**

- 11.1 Attached to this report is a summary of the Joint Administrators' receipts and payments account for the period 23 January 2009 to 20 March 2009.

12. **JOINT ADMINISTRATORS' REMUNERATION**

- 12.1 The statutory provisions relating to the Joint Administrators' remuneration are set out in Rule 2.106 of the Insolvency Rules 1986, as amended by the Insolvency (Amendment) Rules 2003. Attached to this report is a summary of the R3 publication "Creditors' Guide to Administrator's Fees".
- 12.2 We propose our remuneration be fixed on the basis of time properly given by us and our staff attending to the matters arising in the Administration, and that we may draw our remuneration as and when funds become available and without further reports to creditors. Attached to this report is a summary of the time costs currently outstanding, as summarised for each grade of staff.

13. **SUMMARY OF THE JOINT ADMINISTRATORS' PROPOSALS UNDER PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986**

- 13.1 We make the following proposals for achieving the purpose of the Administration, which came into effect on 23 January 2009 to the creditors of the Company.
- i Obtain a professional valuation of the Company's shareholding in Danehurst Park (Rochdale) Limited.
 - ii Distribute funds in hand to the secured and preferential creditors.
 - iii Draw fees on a time and expense basis, together with any disbursements properly incurred.
 - iv Do all such things and generally exercise all our powers as Joint Administrators as we consider desirable or expedient in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise realisation of those assets for any other purposes incidental to these proposals.

- v On completion of the proposals and achieving a better result for the Company's creditors as a whole, that would be likely if the Company were wound up and upon settlement of the Administration expenses and liability, we propose that we file the requisite notice pursuant to Paragraph 83 of Schedule B1 of the Insolvency Act 1986 to ensure that the Company is placed into Creditors' Voluntary Liquidation so as to facilitate any distribution to the unsecured creditors of the Company. It is further proposed that Peter O'Hara and Simon Weir be appointed Joint Liquidators of the Company. Creditors should, however, note that in accordance with Paragraph 83(7) of Schedule B1 to the Insolvency Act 1986 Rule 2.117(3) of the Rules, they may nominate a different person as the proposed Liquidator provided that the nomination is made after the receipt of these proposals and before the proposals are approved; if we at any time conclude that the Company's property is insufficient to permit any further distributions to its creditors, then we will seek the dissolution of the Company pursuant to Paragraph 84(1) of Schedule B1.
- vi Upon the Company either proceeding into Creditors' Voluntary Liquidation or dissolution as set out above, my discharge from liability pursuant to Rule 98 of Schedule B1 shall take effect upon the passing of the resolution winding up the Company or upon the dissolution of the Company as appropriate.

Signed
Peter O'Hara

Date
A.W.

Signed
Simon Weir

Date
20/03/2009

Rule 2.35

Notice of a meeting of Creditors

Name of Company

Rochdale Hornets Football Club
Company Limited

Company number

00089733

In the
Leeds District Registry

(full name of court)

Court case number
86 of 2009(a) Insert full name(s)
and address(es) of
administrator(s)

Notice is hereby given by (a)

Peter OHara
O'Hara & Co
Wesley House
Huddersfield Road
Birstall
Batley
West Yorkshire, WF17 9EJSimon Weir
O'Hara & Co
Wesley House
Huddersfield Road
Birstall
Batley(b) Insert full name and
address of registered
office of the company

that a meeting of creditors of (b)

Rochdale Hornets Football Club Company Limited
Wesley House
Huddersfield Road
Birstall, Batley
West Yorkshire. WF17 9EJ(c) Insert details of place
of meeting

is to be held at (c)

(c) Wesley House

(d) Insert date and time
of meeting

on (d) 3 April, 2009

at 10.00am

The meeting is:

*Delete as applicable

*(1) an initial creditors' meeting under paragraph 51 of Schedule B1 to the Insolvency Act 1986 ('the schedule')

I invite you to attend the above meeting.

A proxy form is enclosed which should be completed and returned to me by the date of the meeting if you cannot attend and wish to be represented.

In order to be entitled to vote under Rule 2.38 at the meeting you must give to me, not later than 12.00 hours on the business day before the day fixed for the meeting, details in writing of your claim.

Signed

Joint / Administrator(s)

Dated

20/3/2009

20/3/2009

*Delete as applicable

A copy of the *proposals/ revised proposals is attached

Proxy (Administration)

Rochdale Hornets Football Club Company Limited

Name of Creditor _____

Address _____

Name of Proxy Holder

1 _____

2 _____

3 _____

Please insert name of person (who must be 18 or over) or the Chairman of the Meeting. If you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well

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 proxy holder at the meeting of creditors to be held on 3 April 2009, or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion).

Voting Instructions for resolutions

*Please delete as appropriate

1. For the acceptance/rejection* of the administrator's proposals/revised proposals* as circulated

2. For the appointment of

of

representing _____

as a member of the creditors' committee

This form must be signed

Signature _____ Date _____

Name in CAPITAL LETTERS _____

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

Position with creditor or relationship to creditor or other authority for signature

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

Insolvency Act 1986

Rochdale Hornets Football Club Company Limited
Estimated Statement Of Affairs as at 23 January 2009

	Book Value £	Estimated to Realise £	£
ASSETS			
Stadium Company shares	200,000.00	120,000.00	
Rugby Football League	(120,000.00)	(120,000.00)	
		NIL	NIL
Office Equipment, Stock & Goodwill	59,999.00		15,000.00
			15,000.00
PREFERENTIAL CREDITORS:-			
			NIL
			15,000.00
Estimated prescribed part of net property where applicable (to carry forward)			NIL
			15,000.00
DEBTS SECURED BY FLOATING CHARGE			
			NIL
			15,000.00
Estimated prescribed part of net property where applicable (brought down)			NIL
			15,000.00
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Trade & Expense Creditors		28,250.00	
Employees		14,250.00	
Directors Loan Accounts		282,758.00	
Yorkshire Bank - Loan		5,000.00	
PAYE / NIC		94,434.00	
VAT		95,000.00	
Executive Box deposits		7,500.00	
Season Tickets - advance sales		1,000.00	
			528,192.00
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)			(513,192.00)
			(513,192.00)
Issued and called up capital			
Ordinary Shareholders		114,849.00	
			114,849.00
TOTAL SURPLUS/(DEFICIENCY)			<u>(628,041.00)</u>

**Rochdale Hornets Football Club Company Limited
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments
To 20 March 2009**

RECEIPTS	Total (£)
Bank Interest Gross	0.27
Directors contribution to costs	5,000.00
Vat Payable	750.00
	<hr/>
	5,750.27
PAYMENTS	
Company Search Fee	12.50
Statutory Advertising	154.12
Vat Receivable	25.00
	<hr/>
	191.62
	<hr/>
Balance	5,558.65
	<hr/>
MADE UP AS FOLLOWS	
Bank 1 Current	5,558.65
	<hr/>
	5,558.65
	<hr/>

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 and explains the basis on which fees are fixed.

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 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 a member of The Insolvency Service, an executive agency within the Department of Trade and Industry. 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 Secretary of State for Trade and Industry. Where an Insolvency Practitioner is not appointed the Official Receiver remains Liquidator. Official Receivers charge their fees on the basis of a statutory scale which is laid down by the Insolvency Regulations 1994.
- 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.

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 within 3 months 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 FEES

- 4.1 The basis for fixing the Liquidator's remuneration is set out in Rule 4.127 of the Insolvency Rules 1986. The rule states that the remuneration shall be fixed either:

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

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

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

- 4.2 If there is no Liquidation Committee, or the committee does not make the requisite determination, the Liquidator's remuneration may be fixed by a resolution of a meeting of creditors. The creditors take account of the same matters as the committee would. A resolution specifying the terms on which the Liquidator is to be remunerated may be taken at the meeting which appoints the Liquidator. If the remuneration is not fixed in any of these ways, it will be in accordance with the scale laid down for Official Receivers.

5 WHAT INFORMATION SHOULD BE PROVIDED BY THE LIQUIDATOR?

- 5.1 When seeking agreement to his fees the Liquidator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The Liquidator should always make available an up to date receipts and payments account. Where the fee is to be charged on a time basis the Liquidator should be prepared to disclose the amount of time spent on the case and the charge-out value of time spent, together with such additional information as may reasonably be required having regard to the size and complexity of the case. Where the fee is charged on a percentage basis the Liquidator should provide details of any work which has been or is intended to be contracted out which would normally be undertaken directly by a Liquidator of his staff.
- 5.2 The payment of the Liquidator's expenses and disbursements is not subject to approval by the committee or the creditors. However, where a Liquidator makes, or proposes to make, a separate charge by way of expenses and disbursements to recover the cost of facilities provided by his own firm, he should disclose those charges to the committee or the creditors when seeking approval of his fees, together with an explanation of how those charges are made up and the basis on which they are arrived at.

5.3 Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his administration the Liquidator should immediately notify the creditors of the details of the resolution. When subsequently reporting to creditors on the progress of the Liquidation, or submitting his final report, he should specify the amount of remuneration he has drawn in accordance with the resolution. Where the fee is based on time costs he also should provide details of the time spent and charge-out value to date and any material changes in the rates charged since the resolution was first passed. Where the fee is charge on a percentage basis the Liquidator should provide the details set out in paragraph 5.1 above regarding work which has been sub-contracted out.

5.4 Where the Liquidator realises an asset on behalf of a secured creditor and receives remuneration out of the proceeds (see paragraph 8.1 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.

6 WHAT IF A CREDITOR IS DISSATISFIED?

6.1 If a creditor believes that the Liquidator's remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the court for an order that it be reduced. 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. Unless the court orders otherwise, the costs must be paid by the applicant and not out of the assets of the insolvent Company.

7 WHAT IF THE LIQUIDATOR IS DISSATISFIED?

7.1 If the Liquidator considers that the remuneration fixed by the committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors or in accordance with the Official Receiver's scale is insufficient, he may apply to the court for it to be increased. 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.

8 OTHER MATTERS RELATING TO FEES

8.1 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 the scale laid down for the Official Receivers. Usually, however, the Liquidator will agree the basis of his fee for dealing with charged assets with the secured creditor concerned. 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 arising between them may be referred to the court, the committee or a meeting of creditors. 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.

8.2 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.

9 SUMMARY OF CHARGE OUT RATES AND DISBURSEMENT CHARGES WITH EFFECT FROM 3 MARCH 2009 (SUBJECT TO CHANGE)

Charge per hour
£

Partner	200 to 250
Manager	150
Other Senior Professional	150
Administrators	125
Support Staff	100

Disbursement Charges

- Mileage is recharged at 60p per mile

- Charges are made as follows:

Postage

Normal Letters

1st class - £1.10

2nd class - £1.00

Airmail - £2.00

Other: according to size & weight

Photocopying

Up to 20p per sheet

- Internal room hire is charged at £25 to £100 per meeting