

S.192

**Liquidator's Progress Report
Pursuant to Sections 92A, 104A and 192 of
The Insolvency Act 1986**

For Official Use

To the Registrar of Companies

Company Number

00096253

Name of Company

George Powdrill & Son Limited ✓

I / ~~We~~

Robert Day
Robert Day and Company Limited
The Old Library, The Walk
Winslow
Buckingham MK18 3AJ

THURSDAY



A13 02/03/2017 #146
COMPANIES HOUSE

the liquidator~~of~~ of the company attach a copy of my progress report
under section 192 of the Insolvency Act 1986

The Progress Report Cover the Period from 25/02/16 to 24/02/17

Signed

Date 28/02/2017

Robert Day and Company Limited
The Old Library
The Walk
Winslow
Buckingham MK18 3AJ

For Official Use
Insolvency Sect Post Room

George Powdrill & Son Limited – In Members Voluntary Liquidation ('the company')

Company Number. 00096253

Current Registered Office: c/o Robert Day and Company Limited, The Old Library, The Walk, Winslow, Buckingham MK18 3AJ

Previous Registered Office: Christchurch House, Upper George Street, Luton, Bedfordshire LU1 2RS

Trading Address: Christchurch House, Upper George Street, Luton, Bedfordshire LU1 2RS

Basis of Remuneration. Fixed Fee

Office Holder Details: Robert Day of Robert Day and Company Limited, The Old Library, The Walk, Winslow, Buckingham MK18 3AJ

Date of Appointment: 25 February 2016

1. Introduction

This report sets out an account of my acts and dealings and the conduct of the liquidation during the period 25 February 2016 to 24 February 2017

2 Receipts and Payments Account

A copy of my receipts and payments account for the period 25 February 2016 to 24 February 2017 is attached to this report

3. Planning

I planned to discharge my obligations to the members by seeking to maximise asset realisations, minimise the input required from me, compatible with complying with the various statutory and professional regulatory requirements which flowed from my appointment and consequently to maximise the return to the members

4 Administration

Details of my appointment were advertised, as required, in the London Gazette and submitted to Companies House with accompanying documents I also provided information on my appointment to the insurers who have given me a bond

The necessary records have been maintained, on behalf of the company, to enable me to file the relevant financial returns at Companies House made necessary by Section 192 of the Insolvency Act 1986

5 Asset Realisations

The Declaration of Solvency (the declaration) made by the company's director on 25 February 2016 detailed the company's only asset as being as follows -

Balance at Bank of £979,179 and a Tax Refund of £37,500

The sum of £979,199 33 has been realised in respect of the closing balance on the company's account held with Barclays Bank Plc

The (£458) tax refund referred to in the declaration was offset against the company's corporation tax liability of £3,484.40 (detailed as Taxation in the unsecured creditors section of the declaration) for the period ended 31 December 2015 leaving a net payment into the estate of £34,039.83

The estate has also received bank interest gross totalling £91.73

6 Payments

The sum of £2,300.00 plus VAT has been paid to the company's accountants in respect of work undertaken by them in finalising the company's tax affairs

The sum of £25.00 has been paid in respect of bank charges incurred in electronically distributing funds to the company's shareholders

The aggregate sum of £1,006,319.35 has been distributed to the company's ordinary shareholders

This represents distributions totalling £87.49842 per ordinary share

7. Liquidator's Remuneration

The time costs in dealing with the liquidation to 24 February 2017 amount to £2,570.00. This represents 16.0 hours at an average charge out rate of £160.63 per hour

An ordinary resolution passed at the meeting of the company's shareholders held on 25 February 2016 decreed that my remuneration would be set in accordance with Rule 4.148A(2)(c) of the Insolvency Rules 1986 and would be a set fee of £3,500.00 including disbursements plus VAT in accordance with the estimate provided to the directors of the company prior to my appointment

I can confirm that this resolution has been adhered to

The following disbursements have been incurred and paid as part of the agreed set fee -

Specific Penalty Bond - £1,200.00

Statutory Advertising (London Gazette) - £237.00

I am required to purchase a bond on all formal appointments undertaken. The purpose of the bond is to indemnify the beneficiaries of the estate being administered against losses caused by dishonesty or fraud on the part of the insolvency practitioner. The bond must be for at least the quantum of assets potentially available to creditors. In this case I have purchased a £2,000,000 bond

Statutory Advertising costs are re-charged at the actual cost incurred

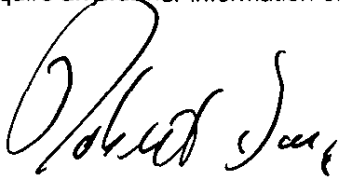
The VAT charged on the expenses of the liquidation would appear to be irrecoverable as the company was either not registered for VAT or was deregistered for VAT purposes prior to entering into liquidation

A breakdown of the Liquidator's Time and Charge Out Rates is attached to this report

Also attached to this report is a copy of Rule 4.148C of the Insolvency Rules 1986 and a further copy of 'A Creditors' Guide to Liquidator's Fees' for your information

8 Conclusion

If you require any further information or clarification on any matter please contact me

A handwritten signature in black ink, appearing to read 'Robert Day', written in a cursive style.

Robert Day
Liquidator

George Powdrill & Son Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

**Statement
of Affairs**

**From 25/02/16
To 24/02/17**

SECURED ASSETS

NIL

ASSET REALISATIONS

979,179	Balance at Bank	979,199 33
	Bank Interest Gross	91 73
37,500	Tax Refund	<u>34,039 83</u>
		1,013,330 89

COST OF REALISATIONS

Accountancy Fees	2,300 00
Bank Charges	25 00
Liquidator's Fixed Fee (inc Disbursements)	3,500 00
VAT Irrecoverable	1,160 00

PREFERENTIAL CREDITORS

NIL

UNSECURED CREDITORS

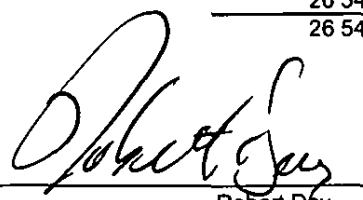
NIL

DISTRIBUTIONS

1,008,995	Ordinary Shareholders	<u>1,006,319 35</u>
		26 54
	Balance in Hand	26 54

REPRESENTED BY

VAT Receivable	0 00
Bank 1 Current	<u>26 54</u>
	26 54


 Robert Day
 Liquidator

George Powdrill & Son Limited - In Members Voluntary Liquidation

Liquidator's Time and Charge Out Summary from 25 February 2016 to 24 February 2017

Hours				Time Cost £	Average Hourly Rate £
Classification of work function	Liquidator	Manager	Total Hours		
Administration and Planning	1 0	13 0	14 0	2,260 00	161 43
Investigations	-	-	-	-	-
Realisation of Assets	-	0 9	0 9	139 50	155 00
Trading	-	-	-	-	-
Creditors	-	1 1	1 1	139 50	155 00
Case Specific Matters	-	-	-	-	-
Total Hours	1 0	15 0	16 0	2,570 00	160 63
Total Fees Claimed (£)	245 00	2 325 00	-	-	-

Charge Out Rate Summary

Description	Hourly Rate (£)	Dates
Liquidator	245	25/02/16 - 24/02/17
Manager	155	25/02/16 - 24/02/17

Note - Time costs are calculated at 6 minute units

Post Appointment Disbursements

£

Specific Penalty Bond	1,200 00
Statutory Advertising (London Gazette)	237 00

Notes to Disbursements

Specific Penalty Bond	At cost of mandatory cover required in accordance with the Insolvency Act 1986 for each appointment
Statutory Advertising (London Gazette)	At actual cost charged

Rule 4.148C Contributors' claim that remuneration is or other expenses are excessive

- (1) Contributors of the company with at least 10% of the total voting rights of all the contributors having the right to vote at general meetings of the company, or any contributors with the permission of the court may apply to the court for one or more of the orders in paragraph (6) on the grounds that -
- (a) the remuneration charged by the liquidator,
 - (b) the basis fixed for the liquidator's remuneration under Rule 4.148A, or
 - (c) expenses incurred by the liquidator,
- is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (2) Application must, subject to any order of the court under Rule 4.49E(5), be made no later than 8 weeks (or 4 weeks when the liquidator has resigned in accordance with Rule 4.142) after receipt by the applicant of the report or account which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (3) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it must not do so unless the applicant has had the opportunity to attend the court for a hearing of which the applicant has been given at least 5 business days' notice but which is without notice to any other party
- (4) If the application is not dismissed under paragraph (3) the court must fix a venue for it to be heard and give notice to the applicant accordingly
- (5) The applicant must at least 14 days before the hearing send to the liquidator a notice stating the venue and accompanied by a copy of the application and of any evidence which the applicant intends to adduce in support of it
- (6) If the court considers the application to be well-founded it must make one or more of the following orders -
- (a) an order reducing the amount of remuneration which the liquidator was entitled to charge;
 - (b) an order fixing the basis of remuneration at a reduced rate or amount,
 - (c) an order changing the basis of remuneration,
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,
 - (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,
- and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (7) Unless the court orders otherwise, the costs of the application must be paid by the applicant and are not payable as an expense of the liquidation

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 be paid by the applicant and not out of the assets of the insolvent company.

11 What if the liquidator is dissatisfied?

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

12 Other matters relating to remuneration

- 12 1 Where the liquidator realises assets on behalf of a secured creditor he is entitled to be remunerated out of the proceeds of sale in accordance with a scale set out in the Rules. Usually, however, the liquidator will agree the basis of his fee for dealing with charged assets with the secured creditor concerned.
- 12 2 Where two (or more) joint liquidators are appointed it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute between them may be referred to the court, the committee or a meeting of creditors.
- 12 3 If the appointed liquidator is a solicitor and employs his own firm to act in the insolvency, profit costs may not be paid unless authorised by the committee, the creditors or the court.
- 12 4 If a new liquidator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new liquidator until a further determination, resolution or court order is made.
- 12 5 Where the basis of the remuneration is a set amount, and the liquidator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing liquidator. The application must be made to the same body as approved the remuneration. Where the outgoing liquidator and the incoming liquidator are from the same firm, they will usually agree the apportionment between them.
- 12 6 There may also be occasions when creditors will agree to make funds available themselves to pay for the liquidator to carry out tasks which cannot be paid for out of the assets, either because they are deficient or because it is uncertain whether the work undertaken will result in any benefit to creditors. Arrangements of this kind are sometimes made to fund litigation or investigations into the affairs of the insolvent company. Any arrangements of this nature will be a matter for agreement between the liquidator and the creditors concerned and will not be subject to the statutory rules relating to remuneration.