

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 0 1 2 9 4 9 4

Company name in full Horsforth Club, Limited (The)

→ **Filling in this form**  
Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Nicola

Surname Baker

### 3 Liquidator's address

Building name/number 3 Merchant's Quay

Street Ashley Lane

Post town Shipley

County/Region West Yorkshire

Postcode B D 1 7 7 D B

Country

### 4 Liquidator's name ①

Full forename(s)

Surname

① **Other liquidator**  
Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② **Other liquidator**  
Use this section to tell us about  
another liquidator.

# LIQ03

## Notice of progress report in voluntary winding up

### 6 Period of progress report

From date	<sup>d</sup> 0	<sup>d</sup> 2	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9
To date	<sup>d</sup> 0	<sup>d</sup> 1	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0

### 7 Progress report

☒ The progress report is attached

### 8 Sign and date

Liquidator's signature

Signature

X Safe

X

Signature date

<sup>d</sup> 2	<sup>d</sup> 7	<sup>m</sup> 1	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0
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LIQ03

Notice of progress report in voluntary winding up



**Presenter information**

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

Contact name **Simon Robinson**

Company name **Rushtons Insolvency Limited**

Address **3 Merchants Quay**

**Ashley Lane**

Post town **Shipley**

County/Region

Postcode **B D 1 7 7 D B**

Country

DX

Telephone **01274 598 585**



**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

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



**Important information**

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



**Where to send**

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

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



**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**

## INSOLVENCY & FINANCIAL SOLUTIONS

**Private and Confidential**

Our Ref: NB/SR/AJT

Your Ref:

E: [sarobinson@rushtonsifs.co.uk](mailto:sarobinson@rushtonsifs.co.uk)

Date: 26 November 2020

Dear Sir/Madam

### **Horsforth Club Limited (The) ("the Company") - In Members' Voluntary Liquidation**

I refer to the above named and the appointment of Raymond Stuart Cloughton as Liquidator on 2 October 2017. Please note Nicola Baker of Rushtons Insolvency Limited replaced Raymond Stuart Cloughton as Liquidator following the making of a Block Transfer Order on 25 November 2019.

Pursuant to Section 92A of The Insolvency Act 1986 and Rule 18.7 of The Insolvency (England & Wales) Rules 2016, I now present my Annual Progress Report of my actions and dealings for the period 2 October 2019 to 1 October 2020 ("the reporting period").

## **1. STATUTORY INFORMATION**

Name of Company:	Horsforth Club Limited (The)
Trading name(s):	Horsforth Club
Date of Incorporation:	10 June 1913
Company registered number:	00129494
Company registered office:	3 Merchant's Quay, Ashley Lane, Shipley, West Yorkshire, BD17 7DB
Former registered office:	Hill House, Brockamin Lane, Leigh, Worcester, WR6 5JZ
Former trading address:	207 New Road Side, Horsforth, Leeds, West Yorkshire, LS18 4DR

	Date appointed	Date resigned	Shares held
<b>Director(s)</b>			
Peter Doran	21/10/2016	-	2
Roger Hindle	21/10/2016	-	497
Graham Eric Wilson	21/10/2016	-	388

## 2. THE LIQUIDATOR

Name of Liquidator: Nicola Baker (15852), Licensed Insolvency Practitioner of Rushtons Insolvency Limited replaced Raymond Stuart Cloughton as Liquidator of the Company on 25 November 2019 following the making of a Block Transfer Order

Date of appointment: 2 October 2017

Liquidator's contact details: Simon Robinson  
01274 598 585  
[sarobinson@rushtonsifs.co.uk](mailto:sarobinson@rushtonsifs.co.uk)

## 3. PROGRESS DURING THE PERIOD AND RECEIPTS AND PAYMENTS

Attached at Appendix 1 is a copy of my Receipts and Payments account for the Period of the report and for the cumulative period of the Liquidation. The progress and movement on the account is explained as follows:

### Administration

The liquidator must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. This work includes dealing with the Company's potential creditors together with administrative tasks associated with the appointment, such as agreeing the strategy for the liquidation, filing notices of appointment, statutory advertising, opening and maintaining the estate cash book and bank accounts and reporting periodically to members, HMRC and the Registrar of Companies.

### Receipts

During the reporting period the only amount realised has been bank interest on the funds held of £15.43.

### Payments

During the reporting period the following payments have been made:-

**Solicitors Costs £6,170.** When the Company had ceased trading the majority of books and records had been destroyed. Prior to Liquidation the members register had to be reconstructed, but contact details for a number of members could not be traced. Following my appointment as Liquidator further amendments have been made to the members register, but it has not been possible to make a distribution to a high proportion of members.

In view of the balance of funds that could not be distributed to members legal advice was sought. The advice from the solicitor, who also obtained counsel's opinion, was that a Court Application should be made to enable any remaining funds, after the deduction of costs, to be distributed to the known members of the Company. The concern with making the application was that it be cost effective and beneficial for members given the amount of information that would be required for the application. Ongoing discussions have taken place with the solicitor in an attempt to simplify the application and all the relevant paperwork to conclude the application has been with the solicitor since September. There have been some delays due to Covid-19 and I have been advised that the application will shortly be completed.

During the reporting period a total amount of £6,170 plus VAT has been paid to the solicitor, which includes counsel's fees of £2,750 plus VAT.

**Advertising charges £883.04.** As part of the advice received from the solicitor and counsel, further notices had to be placed in a paper in the locality of the Company's former trading address and also a national newspaper. These notices were advertised in March of this year and gave members until 30 April 2020 to contact the Liquidator if they had not already done so.

## 4. CREDITORS' CLAIMS

As in any Liquidation, in a Members' Voluntary Liquidation Creditors are required to prove their claims and the Liquidator must examine the proofs and particulars of the claims and admit them, in whole or in part, or reject them. The Liquidator must then settle the priorities of the Creditors (as between secured, preferential and non-preferential Creditors) before paying them in full with statutory interest.

The statement of assets and liabilities embodied within the Declaration of Solvency sworn by the Directors on Monday 2 October 2017 indicated that the Company did not have any outstanding Creditors, whether secured, preferential, or non-preferential and this has proved to be the case.

## 5. REMUNERATION AND EXPENSES

### Liquidator's Remuneration and Expenses

In accordance with a Resolution passed at the Meeting of Members held on Monday 2 October 2017 the costs of Rushtons Insolvency Limited for acting on behalf of the Company in preparing the Declaration of Solvency and the Liquidator's Remuneration be fixed by reference to the time properly given by the Liquidator and her staff in attending to matters during the course of the Winding-Up.

My time costs during the reporting period, 2 October 2019 to 1 October 2020, amount to £6,446 plus VAT, which represents 28.50 hours at an average hourly charge out rate of £226.18.

My time costs from 2 October 2017 to 1 October 2020 amount to £40,264 plus VAT, and represents 193.30 hours at an average hourly charge out rate of £208.30.

In addition, pre-appointment time costs, which amounted to £10,212 plus VAT, which represented 43.30 hours at an average hourly charge of £235.84 have also been incurred.

The principal for Liquidator's remuneration is in accordance with the time properly given by the Liquidator and her staff in attending to matters. As advised to members in my last Progress Report the Liquidator's remuneration, including pre-appointment time costs, will be restricted to £17,500 plus VAT.

A breakdown of the time costs are attached at Appendix 2.

A Members Guide to Insolvency Practitioners Fees in Liquidation is attached for your information at Appendix 3, together with Rushtons Insolvency Limited Fee Policy.

Current position of Liquidator's costs and expenses

	Paid in prior period £	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
Advertising and Gazetting Charges	1,464.00	883.04	-	2,347.04
Office Holders Bond	138.00	-	16.00	154.00
Accountancy Fees	200.00	-	-	200.00
Solicitors Costs	4,333.20	6,170.00	-	*15,000.00
<b>TOTAL</b>	<b>6,135.20</b>	<b>7,053.04</b>	<b>16.00</b>	<b>17,701.04</b>

\* Includes an estimate of solicitors costs of £4,496.80 plus VAT to complete the court application.

## 6. DISTRIBUTIONS TO MEMBERS

No further distributions have been made to the Company's members during the reporting period.

If all members could have been traced then the Capital Distribution to all members would have been in the region of £12.48 per share.

To date a Capital Distribution has been made to known members of £12.77 per share. The Court Application will hopefully enable a further Capital Distribution to be made of circa £3.00 to £3.20 per share. Although the application has become protracted it is clearly in the best interests of the Company's members.

## 7. MEMBERS' RIGHTS

### **Right to request further information**

Pursuant to Rule 4.49E of The Insolvency Rules 1986, 18.9 of The Insolvency Rules 2016, within 21 days of the receipt of this report a member or members of the Company with at least 5% of the voting total rights of all the members having the right to vote at general Meetings of the Company (or any member or members with less than 5% of the total voting rights, but with the permission of the Court) may request in writing that I provide further information about my remuneration or expenses which have been detailed in this progress report.

### **Right to make an application to Court**

Pursuant to Rule 4.148C of The Insolvency Rules 1986, Rule 18.34 of The Insolvency Rules 2016 within 8 weeks of receipt of this progress report any member or members of the Company with at least 10% of the total voting rights of all the members having the right to vote at general Meetings of the Company (or any member, or members with less than 10% of the voting rights, but with the permission of the Court) may make an application to Court on the grounds that the remuneration charged or the expenses incurred as seen out in this progress report are excessive or, the basis fixed for my remuneration is inappropriate.

### **Ethical Issues and Complaints**

Rushtons Insolvency Limited give high priority to client service and are keen to ensure that the quality of this is maintained.

If at any time you would like to discuss how the firm's service to you could be improved, or if you are dissatisfied with any element of the service you are receiving, please contact me as soon as possible so that I may discuss our complaints policy with you.

I undertake to look into any complaint carefully and promptly and to do all I can to explain the position to you.

If I do not answer your complaint to your satisfaction, you may, of course, take up the matter with the Insolvency Complaints Gateway, ("ICG"), Leeds via <https://www.gov.uk/complain-about-insolvency-practitioner> who shall assess whether the matter needs referring to the respective licencing body for further investigation.

## 8. CONCLUSION

I will report to creditors in approximately 12 months, or at the conclusion of my administration, whichever is the sooner.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Nicola Baker', with a stylized flourish at the end.

Nicola Baker  
Liquidator

Nicola Baker is authorised to act as an Insolvency Practitioner in the UK by the Insolvency Practitioners Association under office holder number 15852

Enc.



**The Horsforth Club Limited**  
**(In Liquidation)**  
**Liquidator's Summary of Receipts & Payments**

Declaration of Solvency £		From 02/10/2019 To 01/10/2020 £	From 02/10/2017 To 01/10/2020 £
	ASSET REALISATIONS		
	Bank Interest Gross	15.43	103.42
85,931.00	Cash at Bank	NIL	85,954.16
		15.43	86,057.58
	COST OF REALISATIONS		
	Accountancy Fees	NIL	200.00
	Gazetting Charges and Advertising	883.04	2,347.04
	Liquidator's Remuneration	NIL	17,500.00
	Office Holders Bond	NIL	138.00
	Solicitors Costs	6,170.00	10,503.20
		(7,053.04)	(30,688.24)
	DISTRIBUTIONS		
	Members	NIL	39,995.64
		NIL	(39,995.64)
<b>85,931.00</b>		<b>(7,037.61)</b>	<b>15,373.70</b>
	REPRESENTED BY		
	Bank 1 Current		12,293.10
	Vat Receivable		3,080.60
			<b>15,373.70</b>



Nicola Baker  
Liquidator

# Time Entry - SIP9 Time & Cost Summary

HORSCLU - The Horsforth Club Limited  
 Project Code: POST  
 From: 02/10/2019 To: 01/10/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Cashiering	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	17.90	0.00	0.00	0.50	0.50	18.90	4,412.00	233.44
Annual & Variation Reports	0.30	4.00	0.00	0.00	0.00	4.30	792.00	184.19
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors & Claims	0.00	0.50	0.00	0.00	0.00	0.50	90.00	180.00
General Work	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	4.80	0.00	0.00	0.00	0.00	4.80	1,152.00	240.00
Statutory Compliance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unanalysed Time	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>23.00</b>	<b>4.50</b>	<b>0.00</b>	<b>0.50</b>	<b>0.50</b>	<b>28.50</b>	<b>6,446.00</b>	<b>226.18</b>
<b>Total Fees Claimed</b>							<b>0.00</b>	
<b>Total Disbursements Claimed</b>							<b>0.00</b>	

# Time Entry - SIP9 Time & Cost Summary

HORSCLU - The Horsforth Club Limited  
Project Code: POST  
From: 02/10/2017 To: 01/10/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Cashiering	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	63.20	17.10	0.00	0.50	0.50	81.30	18,418.00	226.54
Annual & Variation Reports	14.90	36.50	0.00	0.00	0.00	51.40	10,146.00	197.39
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors & Claims	1.80	47.40	0.00	0.00	0.00	49.20	8,964.00	182.20
General Work	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	11.40	0.00	0.00	0.00	0.00	11.40	2,736.00	240.00
Statutory Compliance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unanalysed Time	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>91.30</b>	<b>101.00</b>	<b>0.00</b>	<b>0.50</b>	<b>0.50</b>	<b>193.30</b>	<b>40,264.00</b>	<b>208.30</b>
<b>Total Fees Claimed</b>							<b>0.00</b>	
<b>Total Disbursements Claimed</b>							<b>0.00</b>	

# Time Entry - SIP9 Time & Cost Summary

HORSCLU - The Horsforth Club Limited  
Project Code: PRE  
From: 01/01/2017 To: 02/10/2017

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Cashiering	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	40.30	3.00	0.00	0.00	0.00	43.30	10,212.00	235.84
Annual & Variation Reports	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors & Claims	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
General Work	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Statutory Compliance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unanalysed Time	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>40.30</b>	<b>3.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>43.30</b>	<b>10,212.00</b>	<b>235.84</b>
<b>Total Fees Claimed</b>							<b>0.00</b>	
<b>Total Disbursements Claimed</b>							<b>0.00</b>	

## **A MEMBERS' GUIDE TO LIQUIDATORS' FEES ENGLAND AND WALES**

### **1 Introduction**

- 1.1 When a Company goes into members' voluntary liquidation, the costs of the proceedings are paid out of its assets. A declaration of solvency is sworn by the directors indicating that the creditors will be paid in full with statutory interest from the Company's assets, with the remaining assets being distributed to the members. As a result, it is the members who 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 recognizes this interest by providing a mechanism for members to fix the basis of the Liquidator's fees. This guide is intended to help members be aware of their rights to approve and monitor fees, explains the basis on which fees are fixed and how members 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.
- 2.2 A solvent voluntary liquidation is called a members' voluntary liquidation (often abbreviated to 'MVL'). In this type of liquidation an insolvency practitioner acts as Liquidator throughout and the members appoint the Liquidator at a general meeting of the Company.
- 2.3 In an MVL all creditors must be paid in full with statutory interest within the period stated in the declaration of solvency otherwise the Liquidator will have to convene a meeting of creditors and convert it to a creditors' voluntary liquidation, i.e. an insolvent liquidation.

### **3 Fixing the Liquidator's remuneration**

- 3.1 The basis for fixing the Liquidator's remuneration is set out in Rule 18.16 and 18.19 of the Insolvency Rules 2016. The Rule states 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.

- 3.2 It is for the members at a general meeting of the Company 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 members to determine the percentage or percentages to be applied in arriving at their decision the members 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 winding up;
  - the effectiveness with which the Liquidator appears to be carrying out, or to have carried out, his duties; and
  - the value and nature of the assets with which the Liquidator has to deal.

- 3.3 A resolution specifying the terms on which the Liquidator is to be remunerated may be taken at the meeting which appoints the Liquidator.
- 3.4 If the remuneration is not fixed as above, 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 members as described above, and in any case not later than 18 months after his appointment.

#### **4 Fixing the Liquidator's remuneration**

- 4.1 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.

#### **5 What information should be provided by the Liquidator?**

##### **5.1 When fixing bases of remuneration**

- 5.1.1 When seeking agreement for the basis or bases of remuneration, the Liquidator should provide sufficient supporting information to enable the members to make an informed judgement as to whether the basis sought is appropriate having regard to all the circumstances of the case. The nature and extent of the information provided will depend on the stage during the conduct of the case at which approval is being sought.
- 5.1.2 If any part of the remuneration is sought on a time costs basis, the Liquidator should provide details of the minimum time units used and current charge-out rates, split by grades of staff, of those people who have been or who are likely to be involved in the time costs aspects of the case.
- 5.1.3 The Liquidator should also provide details and the cost of any work that has been or is intended to be sub-contracted out that could otherwise be carried out by the Liquidator or his staff.
- 5.1.4 If work has already been carried out, the Liquidator should state the proposed charge for the period to date and provide an explanation of what has been achieved in the period and how it was achieved, sufficient to enable the progress of the case to be assessed and whether the proposed charge is reasonable in the circumstances of the case. Where the proposed charge is calculated on a time costs basis, the Liquidator should disclose the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. The Liquidator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the Liquidator or his or her staff.

##### **5.2 After the bases of remuneration have been fixed**

- 5.2.1 The Liquidator is required to send progress reports to members at specified intervals (see paragraph 6.1 below). When reporting periodically to members, in addition to the matters specified in paragraph 6.1, the Liquidator should provide an explanation of what has been achieved in the period under review and how it was achieved, sufficient to enable the progress of the case to be assessed. Members should be able to understand whether the remuneration charged is reasonable in the circumstances of the case (whilst recognising that the Liquidator must fulfil certain statutory obligations and regulatory requirements that might be perceived as bringing no added value for the estate).

5.2.2 Where any remuneration is on a time costs basis, the Liquidator should disclose the charge in respect of the period, the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. If there have been any changes to the charge-out rates during the period under review, rates should be disclosed by grades of staff, split by the periods applicable. The Liquidator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the Liquidator or his staff.

### **5.3 Disbursements and other expenses**

5.3.1 Costs met by and reimbursed to the Liquidator in connection with the liquidation should be appropriate and reasonable. Such costs will fall into two categories:

- Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the liquidation and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the Liquidator or his staff.
- Category 2 disbursements: These are costs that are directly referable to the liquidation but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the liquidation on a proper and reasonable basis, for example, business mileage. Category 1 disbursements can be drawn without prior approval, although the Liquidator should be prepared to disclose information about them in the same way as any other expenses. Category 2 disbursements may be drawn if they have been approved in the same manner as the Liquidator's remuneration. When seeking approval, the Liquidator should explain, for each category of expense, the basis on which the charge is being made.

5.3.2 The following are not permissible:

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

### **5.4 Realisations for secured creditors**

5.4.1 Where the Liquidator realises an asset on behalf of a secured creditor and receives remuneration out of the proceeds (see paragraph 10.1 below), he should disclose the amount of that remuneration to any meeting of members convened for the purpose of determining his fees, and in any reports he sends to members.

## **6. Progress reports and requests for further information**

6.1 The Liquidator is required to send annual progress reports to members. The reports must include:

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

- a statement of the expenses incurred by the Liquidator during the period of the report, irrespective of whether payment was actually made during that period;
- a statement of the members' rights to request further information, as explained in paragraph 6.2, and their right to challenge the Liquidator's remuneration and expenses.

6.2 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 member 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 by a member or members representing at least 5% in value of the total voting rights of members (including himself), or any member with the permission of the Court.

6.3 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.

6.4 Any member 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.

## **7. Provision of information – additional requirements**

7.1 The Liquidator must provide certain information about the time spent on the case, free of charge, upon request by any director or member 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.

7.2 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.

7.3 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.

## **8 What if a member is dissatisfied?**

8.1 If a member believes that the basis of the Liquidator's remuneration is inappropriate, or the remuneration charged or expenses incurred by the Liquidator are in all the circumstances excessive he may, provided certain conditions are met, apply to the Court.

8.2 Application may be made to the Court by any member or members representing at least 10 per cent in value of voting rights (including himself), or by any member with 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 6.1 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.



- 8.3 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 Company being wound up.

**9. What if the Liquidator is dissatisfied?**

- 9.1 If the Liquidator considers that the remuneration fixed by the members 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.
- 9.2 If he decides to apply to the Court he must give at least 14 days' notice to the members, or such one or more of the members as the Court may direct, to appear or be represented at the Court hearing. The Court may order the costs of the application or of any member appearing at the Court hearing to be paid out of the assets.

**10. Other matters relating to remuneration**

- 10.1 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.
- 10.2 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 or a meeting of members.
- 10.3 If the appointed Liquidator is a solicitor and employs his own firm to act in the winding up, profit costs may not be paid unless authorised by the members or the Court.
- 10.4 If a new Liquidator is appointed in place of another, any determination 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 by the members, or Court order, is made.
- 10.5 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, i.e. either to the members or the Court. Where the outgoing Liquidator and the incoming Liquidator are from the same firm, they will usually agree the apportionment between themselves.
- 10.6 There may also be occasions when members 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 members. Arrangements of this kind are sometimes made to fund litigation. Any arrangements of this nature will be a matter for agreement between the Liquidator and the members concerned and will not be subject to the statutory rules relating to remuneration.

**11. Effective date**

- 11.1 This guide applies where a Company goes into liquidation on or after 6<sup>th</sup> April 2017.

## **RUSHTONS INSOLVENCY LIMITED – DISBURSEMENTS RECOVERY POLICY – SIP 9**

### **Category 1 disbursements**

Bordereau/insurance	Charged at cost
Case advertising	As per advertisers/agents invoice
Courier	Charged at cost
DTI IVA registration fee	Charged at cost (in relevant cases)
Land Registry/Searches	As per Land Registry, agents or Companies House invoice
Post re-direction	Charged at cost
Subsistence	Charged at cost

### **Category 2**

Travel	Charged at cost for public transport and taxis Mileage is recharged at 45p per mile
Postage	Communication costs based on a charge of £6.25 per creditor/debtor/shareholder/employee/company officer, subject to a minimum charge of £150. Communication costs includes postage, photocopying/printing and fax
Room Hire	£100 room hire made available in-house for case specific meetings. Charges only to be made when attendance of debtor/director and/or creditors is likely and a meeting room has been set aside. Where appropriate, external room hire at cost (Category 1)
Storage	Document storage at a rate of £7.50 per box per year

### **Time cost analysis & explanation of work undertaken with effect from 25 November 2019**

<b><u>Category</u></b>	<b><u>Examples of Work</u></b>
Administration & Planning	Case planning, reviewing, administrative set up, appointment notification, maintenance of statutory records, statutory reporting and compliance
Realisation of Assets	Identify, locating, realising and insuring Company assets. Dealing with charged and past secured assets and verifying security documentation
Trading	Employee issues, instructing experts and agents, accounting, management operations
Investigations	Statutory duties, SIP 2 review, SIP 4 & CDDA reports, antecedent transactions and viable matters brought to our attention
Creditors	Communicating with creditors, (secured, preferential and unsecured) creditor claims, adjudication on claims, dealing with preferential creditors (employees) and dividends
Reporting	Reports and circulars to Creditors
Case specific matters	The nature of insolvency work means not every case is the same and may produce unique work requirements not covered above

### **Rushtons Insolvency Limited Current Hourly Charge Out Rates**

Director/Office Holder	200-280
Senior Manager	200
Manager	180
Support Staff/Cashier	100