

Section 94

Return of Final Meeting in a
Members' Voluntary Winding UpPursuant to Section 94 of the
Insolvency Act 1986

To the Registrar of Companies

S.94

Company Number

02269829

Name of Company

Craig Thorpe Limited

I/We

Steven Elliott, 38-42 Newport Street, SWINDON, Wiltshire, SN1 3DR

Note: The copy account must be
authenticated by the written
signature(s) of the Liquidator(s)

give notice that a general meeting of the company was duly held on/~~summoned for~~ 03 May 2017 pursuant to section 94 of the Insolvency Act 1986, for the purpose of having an account (of which a copy is attached) laid before it showing how the winding up of the company has been conducted, and the property of the company has been disposed of and that the same was done accordingly ~~no quorum was present~~ at the meeting.

The meeting was held at 38-42 Newport Street, Swindon, SN1 3DR

The winding up covers the period from 15 March 2016 (opening of winding up) to the final meeting (close of winding up).

The outcome of the meeting (including any resolutions passed at the meeting) was as follows:

1. That the Liquidator be granted his release under Section 173 of the Insolvency Act 1986.

All Share holders who voted, voted in favour of the resolution. The resolution was therefore passed

Signed



Date 03 May 2017

Monahans
38-42 Newport Street
Swindon
SN1 3DR

Ref: SE364/SE/AED

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COMPANIES HOUSE

Craig Thorpe Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments
From 15 March 2016 To 3 May 2017

S of A £		£	£
	ASSET REALISATIONS		
835,000.00	Stock of Freehold and Leasehold Prop	835,000.00	
1,310.00	VAT Refund	1,400.38	
	Insurance Refund	21.35	
464,682.00	Cash at Bank	464,050.97	
	Bank Interest Gross	132.51	
			1,300,605.21
	COST OF REALISATIONS		
	Premium on Indemnity Bond	450.00	
	Liquidator's Remuneration	3,500.00	
	Corporation Tax	21.20	
	Incidental Expenses	10.00	
	Statutory Advertising	317.60	
			(4,298.80)
	UNSECURED CREDITORS		
(414.00)	Trade & Expense Creditors	329.65	
(86,948.00)	Directors' Current Accounts	86,948.00	
(66,700.00)	HMRC Corporation Tax	66,699.60	
(11,400.00)	Accrued Expenses	10,714.00	
			(164,691.25)
	DISTRIBUTIONS		
(200.00)	1st Distribution £5,535 per £1 Share	1,107,000.00	
	2nd Distribution £123.08 per £1 Share	24,615.16	
			(1,131,615.16)
1,135,330.00			(0.00)

REPRESENTED BY

NIL

SE

Steven Elliott
Liquidator

Craig Thorpe Limited – In Members' Voluntary Liquidation

Liquidator's Final Report

Company no. 02269829

Registered office 38-42 Newport Street, Swindon SN1 3DR

Principal trading address Hill Street, Ross on Wye, Herefordshire, HR9 7AD

Nature of business House builders

Date of appointment 15th March 2016

Office holder Steve Elliott (IP No. 11110)

Firm and address Monahans, 38-42 Newport Street, Swindon, SN1 3DR
Tel: 01793 818300

This report should be read in conjunction with the following Appendices:

1. Liquidator's Receipts and Payments Account.
2. Summary of case specific tasks.
3. Summary of Insolvency Rules 4.49E and 4.148C: the information and challenge provisions.
4. A Members' Guide to Liquidators' Fees in England and Wales.

1. Introduction and Outcome of General Meeting

Craig Thorpe Limited ('the company') was incorporated on 21st June 1988 as house builders. Following the cessation of its core business, the directors and shareholders, Peter and Carole Craig, took the decision to place the company into members' voluntary liquidation to realise the value of their shares.

A general meeting of the company was duly held on 15th March 2016, at which Craig Thorpe Limited was placed into members' (solvent) voluntary liquidation and I, Steve Elliott was appointed Liquidator.

2. Conduct of the Liquidation

2.1 Cash at Bank

The balance on the company's accounts with Barclays Bank Plc totalled £464,050.97. Immediately upon my appointment, I authorised Mr and Mrs Craig to transfer the sum of £86,948.00 to their personal account to settle their directors' current accounts, and £272,000.00 as a first cash distribution, further details of which are given under section 6, below.

All remaining funds were transferred to a new account opened in respect of the liquidation with Handelsbanken.

2.2 Stock of Freehold and Leasehold Property

The company owned 7 new build apartments and a flat over a retail unit at Vines Yard, Ross-on-Wye and 50% share of a retail unit at The Crofts, Ross-on-Wye. Those were valued in the sum of £835,000.00 by John Parry at Parrys of Monmouth and I instructed Jackie Nicholson of Okells Francis Law, Ross-on-Wye to deal with the transfer of the properties to Mr and Mrs Craig by way of distribution in specie on 15th March 2016.

2.3 VAT Refund

Submission of the company's final VAT return for the period up to liquidation resulted in a refund of £1,400.38, which was received 21st September 2016.

2.4 Insurance Refund

A refund of £21.35 from NFU Mutual representing a refund on insurance was received on 22nd March 2016.

2.5 Interest

Gross interest of £132.51 was received on funds held on the liquidation account.

2.6 Unrealised Assets

All assets as listed on the Declaration of Solvency have been realised.

3. Receipts & Payments Account

My receipts and payments account for the entire period of liquidation is attached at Appendix 1 for your information. All figures on the account are shown net of VAT.

4. Payments

4.1 Liquidation expenses

Various payments were made during the course of the winding up in respect of statutory requirements.

The sum of £450.00 was paid to AUA Insolvency Risk Services Limited for the Liquidator's Bond of Specific Penalty, the cost of which was based on the value of the assets under the Liquidator's control.

£317.60 was paid for advertising in the London Gazette to conform with the statutory requirements of the insolvency legislation. The sum of £10.00 was paid to Forrester Sylvester Mackett solicitors for witnessing the Declaration of Solvency.

A corporation tax liability for the liquidation period of £21.20 arose on gross bank interest received.

4.2 Liquidator's disbursements

Necessary expenses of the liquidation that are recharged to the case at cost (e.g. statutory advertising) are classed as 'Category 1' disbursements. Approval is not required for Category 1 disbursements, and these have been covered in paragraph 4.1 above.

However, costs recharged to the case that are capable of including an element of profit or a share of overhead cost are classed as 'Category 2' disbursements and require members' approval. No category 2 disbursements have been recharged to this case.

4.3 Liquidator's remuneration

It had been agreed with the shareholders, Peter and Carole Craig, that my remuneration be on a fixed fee basis. Therefore, at the meeting of members held on 15th March 2016, the following resolution was passed:

"That the Liquidator's fees be fixed in the sum of £3,500 plus VAT and disbursements and further, that he is authorised to draw payments on account of those fees."

The statutory provisions relating to remuneration are set out in Rule 4.148A of the Insolvency Rules 1986. They are explained fully in the attached guide, 'A Members' Guide to Liquidators' Fees in England and Wales'.

A guide to the nature of the tasks that are covered by each category of charging, together with specific detail regarding the work done on this particular case, is attached at Appendix 2.

4.4 Request for information and challenge to the Liquidator's remuneration and expenses

Under Rule 4.49E of the Insolvency Act 1986, members have the right to request further information about my remuneration and expenses and, should they believe these costs are, on all the circumstances, excessive, to challenge them under Rule 4.148C.

Please see the attached Summary of Insolvency Rules 4.49E and 4.148C of the Insolvency Act 1986 at Appendix 3 for further details of the provisions and conditions that apply.

5. Creditors

5.1 Directors' Loan Account

The final period accounts showed that Mr and Mrs Craig were owed £86,948.00 and that was repaid to them on 15th March 2016.

5.2 Corporation Tax

Finalisation of the company's accounts and associated tax returns confirmed Corporation Tax due of £9,921.00 for the period ending 14th March 2015, which was duly paid on 11th May 2016.

A further payment of £56,778.60 was made on 10th January 2017 to discharge the tax due on the capital gain arising on the transfer of the land and outbuildings.

5.3 Trade Creditors

The following payments were made to trade creditors:

Vodafone	63.80
Barclaycard Commercial	190.29
BT Group	75.56
	<u>£329.65</u>

5.4 Accruals

Okells Francis Law were paid £8,039.00 to deal with the transfer of properties and advising on the SDLT implications arising from the distribution in specie of those properties.

The sum of £2,675.00 was paid to Knipe Whiting Heath and related to the following:

- Preparation of accounts for the final period ending 14th March 2016.
- Completion of a Corporation Tax return for period ending 14th March 2016.
- Preparation of the final VAT return.
- Advice relating to the liquidation, attendance at meetings and completion of the 2016 Annual Return.

6. Distributions to Members

The company had issued share capital of 200 £1 ordinary shares, and both Mr and Mrs Craig held 100 shares each.

Distributions to the shareholders during the course of the liquidation total £1,131,615.16 amounting to £5,658.08 per £1 ordinary share.

Shareholder	Shareholding £1 ordinary Shares	1 st Distribution 15 th March 2016 £5,535.00 per share* £	2 nd and Final Distribution 10 th February 2017 £123.08 per share £	Total distribution £5,658.08 per share £
Mr P Craig	100	553,500.00	12,307.58	565,807.58
Mrs C Craig	100	553,500.00	12,307.58	565,807.58
Total	200	£1,107,000.00	£24,615.16	£1,131,615.16

*Partial distribution in specie

7. Final Meeting

As all matters in relation to the liquidation have been concluded, I convened a final meeting of members for 3rd May 2017 at which this report was presented and I sought my release as Liquidator.

The following resolution was put to the meeting:

- That the Liquidator be granted his release under Section 173 of the Insolvency Act 1986.

Proxies had been received from both shareholders representing 100% of the shareholding, voting for the resolution. The resolution was therefore passed

In the meantime, if you should have any queries, please do not hesitate to contact the case manager, Alison Dickinson (tel: 01793 818330 or email: alison.dickinson@monahans.co.uk).

Dated: 3rd May 2017



Steve Elliott MIPA
Liquidator

Appendix 1

Craig Thorpe Limited - in Members' Voluntary Liquidation
Liquidator's Abstract of Receipts & Payments

Declaration of Solvency		From 15/03/2016 To 03/05/2017	Total
ASSET REALISATIONS			
835,000	Stock of Freehold & Leasehold Property	835,000.00	835,000.00
464,682	Cash at Bank	464,050.97	464,050.97
1,310	VAT Refund	1,400.38	1,400.38
	Insurance Refund	21.35	21.35
	Bank Interest Gross	132.51	132.51
		1,300,605.21	1,300,605.21
COST OF REALISATIONS			
(4,000)	Liquidator's Remuneration	3,500.00	3,500.00
(Premium on Indemnity Bond	450.00	450.00
(600)	< Incidental Expenses	10.00	12.45
(Statutory Advertising	317.60	317.60
	Corporation Tax	21.20	21.20
		(4,298.80)	(4,298.80)
UNSECURED CREDITORS			
(414)	Trade Creditors	329.65	329.65
(86,948)	Directors' Current Accounts	86,948.00	86,948.00
(66,700)	Corporation Tax	66,699.60	66,699.60
(11,400)	Accrued Expenses	10,714.00	10,714.00
		(164,691.25)	(164,691.25)
DISTRIBUTIONS			
	1st - £5,535.00 per £1 share*	1,107,000.00	1,107,000.00
	2nd - £123.08 per £1 share	24,615.16	24,615.16
	* Part distribution in specie	(1,131,615.16)	(1,131,615.16)
		NIL	NIL
	1,130,770		

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Steve Elliott
Liquidator

Appendix 2

Craig Thorpe Limited – In Members' (Solvent) Voluntary Liquidation

Summary of work undertaken in the liquidation

Time is recorded to a case in units and each unit comprises 6 minutes. Tasks include:

Activity	Examples of Work
Administration & Planning	Case review and case diary management. Strategic planning and control. IPS set up and maintenance. Cashiering and accounting. Statutory matters - meetings, reports and returns, bonding.
Asset Realisation	Realisation of funds Liaising with the Bank
Creditors	Communication with HMRC Agreeing & settling any outstanding liabilities
Members	Distributions to the members

Work carried out specific to the case

Administration & Planning

- Filing Notice of Appointment, Declaration of Solvency and company resolutions at Companies House
- Advertising Notice of Appointment, Notice to Creditors and company resolutions in the London Gazette
- Notifying various HMRC offices of appointment
- Search of Pension Protection Fund website and accounts for any pension schemes in company's name
- Preparation and submission of post-appointment VAT return to recover VAT on liquidation expenses
- Regular file reviews
- Preparation of final report, convening and advertising final meeting and filing final return at Companies House

Asset Realisation

- Correspondence with bank to arrange transfer of funds to liquidation account
- Reconciliation of funds transferred
- Distribution in specie of freehold and leasehold property
- Obtaining VAT refund

Creditors

- Correspondence with HMRC to establish the company's tax liabilities for the period prior to liquidation and settlement of the Corporation Tax due
- Submission of outstanding VAT returns, final VAT 193 return, and application to deregister for VAT purposes
- Submission of tax return for the period of liquidation and payment of Corporation Tax due
- Correspondence with HMRC offices for clearance to conclude the winding up
- Settling trade and expense creditors claims and those of the accrued creditors

Members

- Correspondence with and updates to the members
- Calculation and payment of distributions to the members

Appendix 3

Members' request for further information

Rule 4.49E of the Insolvency Rules 1986

Under Rule 4.49E, 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 with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company, or
- any member with the permission of the court.

Any member may apply to the court within 21 days of the liquidator's refusal to provide the requested information, or on the expiration of the 14 days time limit for the liquidator to comply with the request.

Members' claim that remuneration is or other expenses are excessive

Rule 4.148C of the Insolvency Rules 1986

Under Rule 4.148C,

- where a member 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 with the permission of the court

believes that the remuneration and/or expenses of the liquidator are excessive or that the basis of the liquidator's remuneration is inappropriate, they may apply to the court provided certain conditions are met.

Any application must be made within 8 weeks of the applicant receiving the liquidator's progress report. The court may dismiss the application if it considers that insufficient grounds are shown for a reduction. If the court considers the application is justified it must make one of the orders set out in Rule 4.148C(6).

The costs of the application must be paid by the applicant unless the court orders otherwise.

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 recognises 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. 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. 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 Basis

The basis for fixing the Liquidator's remuneration is set out in Rule 4.148A of the Insolvency Rules 1986. 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 Who fixes the remuneration?

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 and Rule 4.148A(3) says that 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 or her 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 or her remuneration fixed by the members as described above, and in any case not later than 18 months after his or her appointment.

4 Review of remuneration

The Liquidator may ask the members to change the basis of remuneration, or to increase the amount or rate, approved by the members. In such circumstances the same rules apply as to the original approval of the Liquidator's remuneration.

5 What information should be provided by the Liquidator?

5.1 General principles

5.1.1 The Liquidator should provide those responsible for approving his or her remuneration with sufficient information to 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 members, while being proportionate to the circumstances of the case.

5.1.2 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 members 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.

5.1.3 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 members with an explanation of why it is being done.

5.2 Key issues

5.2.1 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 members, 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 members, 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.

5.2.2 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.

5.3 Disbursements

5.3.1 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.

5.3.2 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. Progress reports and requests for further information

6.1 The Liquidator is required to send annual progress reports to members and any creditors who remain unpaid at the anniversary date. 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 or she 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 creditor, 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 or she may apply to the Court for the amount or rate to be increased or the basis changed.
- 9.2 If he or she 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 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.*
- 10.2 If the appointed Liquidator is a solicitor and employs his or her own firm to act in the winding up, profit costs may not be paid unless authorised by the members or the Court.
- 10.3 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.
- 10.4 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.
- 10.5 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

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

Appendix

Suggested format for the provision of information

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

Narrative overview of the case

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

- the complexity of the case;
- any exceptional responsibility falling on the Liquidator;
- the Liquidator's effectiveness;
- the value and nature of the property in question.

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

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

Time cost basis

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

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

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

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

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

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

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

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

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