

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 5 0 8 3 1 0 6

Company name in full Entier Associates Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Mark Jonathan

Surname Botwood

3 Liquidator's address

Building name/number Regent House

Street Bath Avenue

Post town Wolverhampton

County/Region

Postcode W V 1 4 E G

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

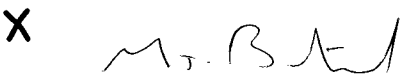
Country

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	^d	0	^d	1	^m	0	^m	7	^y	2	^y	0	^y	2	^y	0
To date	^d	3	^d	0	^m	0	^m	6	^y	2	^y	0	^y	2	^y	1
7	Progress report															
<input type="checkbox"/> The progress report is attached																
8	Sign and date															
Liquidator's signature	<div>Signature</div> <div>  </div>															
Signature date	^d	0	^d	9	^m	0	^m	8	^y	2	^y	0	^y	2	^y	1

**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 **Mark Jonathan Botwood**

Company name **Muras Baker Jones Ltd**

Address **Regent House**

Bath Avenue

Post town **Wolverhampton**

County/Region

Postcode **W V 1 4 E G**

Country

DX

Telephone **01902 393000**

**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 or email 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

Entier Associates Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Declaration of Solvency £	From 01/07/2020 To 30/06/2021 £	From 01/07/2020 To 30/06/2021 £
	ASSET REALISATIONS	
	Bank Interest Gross	75.80
3,063,896.80	Cash at Bank	3,064,723.64
	CT Refund	223.34
101,102.00	Tax Refund S455	NIL
867.18	VAT Refund	NIL
		<u>3,065,022.78</u>
	COST OF REALISATIONS	
	Bank Charges	30.00
	General legal advice	1,000.00
	General Legal Advice (Associate)	3,450.00
	HMRC - Penalty	250.00
	Insolvency Bond	910.00
	Liquidators Remuneration	12,000.00
	London Gazette Advertising	257.55
	Photocopying	50.40
	PII Insurance	16,279.20
	Postage	103.09
	Sage	12.00
		<u>(34,342.24)</u>
	UNSECURED CREDITORS	
	HMRC Corp Tax	48.64
(3,750.00)	Muras Baker Jones Pre Appointment	3,750.00
		<u>(3,798.64)</u>
	DISTRIBUTIONS	
	1st dist 12.10.20@£20,842.86 per share	2,918,000.00
	1st distribution partial repayment	(200,000.00)
		<u>(2,718,000.00)</u>
3,162,115.98		308,881.90
	REPRESENTED BY	
	Interest Bearing Current Account	304,577.69
	VAT Receivable	4,304.21
		<u>308,881.90</u>

Note:

The above figures are shown net of VAT

Distributions

A first capital distribution of £20,842.86 per share was declared to the two shareholders holding 140 ordinary £1 shares on 12 October 2020. Subsequently £200,000 repaid and the distribution amended to £19,414.28 per share



Mark Jonathan Botwood
Liquidator



Muras Baker Jones Limited
Regent House
Bath Avenue
Wolverhampton
WV1 4EG

T: 01902 393000
F: 01902 393010
E: enquiries@muras.co.uk
W: www.muras.co.uk

Insolvency Services
T: 01902 393007

Entier Associates Limited – **In Members' Voluntary Liquidation**

LIQUIDATORS' PROGRESS REPORT TO MEMBERS

For the year ending 30 June 2021

EXECUTIVE SUMMARY

All assets realised (other than corporation tax refund) and known creditors paid prior to 1st distribution to shareholders.

Assessments subsequently made against the company by HMRC which are disputed and subject to appeal to the tax tribunal.

Conclusion of the liquidation subject to the tax tribunal process.

STATUTORY INFORMATION

Company name:	Entier Associates Limited
Registered office:	3rd Floor, Regent House Bath Avenue Wolverhampton WV1 4EG
Former registered office:	Unit 15 Basepoint Business Centre Oakfield Close Tewkesbury Business Park Tewkesbury GL20 8SD
Registered number:	05083106
Liquidator's name:	Mark Jonathan Botwood
Liquidator's address:	Regent House, Bath Avenue, Wolverhampton, WV1 4EG
Liquidator's date of appointment:	1 July 2020

LIQUIDATOR'S ACTIONS SINCE DATE OF COMMENCEMENT OF LIQUIDATION

On appointment I reviewed the information provided by the company and accountant to confirm that the declaration of solvency showed an accurate reflection of the company's solvency at the date of liquidation.

Notice of my appointment was filed at Companies House and advertised in the London Gazette. I also published in the London Gazette a notice to creditors to submit claims by 25 August 2020. A claim from one known creditor was received. No further claims were received by the claims date.

The liquidator reviewed client contracts. On 27 July 2020 creditors and potential creditors were notified of the liquidation and a notice of intended dividend issued setting a claims date of 25 August 2020.

A first dividend to the shareholder holding 140 ordinary £1 share was declared and distributed on 12 October 2020 with funds reserved to meet the costs of liquidation prior to the issue of further dividends.

The company was registered for VAT and PAYE scheme. A request was made for VAT deregistration which was effective on 30 June 2020. The final pre liquidation VAT return was submitted and funds received in the company's bank prior to its closure on 7 July 2020. The PAYE Scheme and Nest Pension scheme are closed.

I instructed Accountants Shelvoke Pickering Janney LLP to complete the accounts and company tax return for the period 1 May 2020 to 30 June 2020. The pre appoint corporation tax liability of £48.64 was paid on 6 October 2020. The Company is due a repayment of corporation tax on loans to participators (s458 CTA 2010) of £101,102. A request for repayment was made in July 2020 but HMRC advised the repayment was not due until 1 February 2021. A further claim for repayment was made on 24 February 2021. Repayment has not been made at the date of the report.

On 7 July 2020 the company received a letter from HMRC requesting the Company enter a Standstill agreement in relation a determination received under Regulation 80 Income Tax Regulations concerning underpayment of class 1 National Insurance contributions by a contractor. The total subject to appeal being £12,839.39 and was denied in full. The Company had formerly appointed tax agents Chartergates and appealed the determination in March 2019. Chartergates were re-engaged in an attempt to bring an end to the proceedings. Despite repeated attempts they were unable to get any substantive contact from HMRC. The Company received a county court claim form in October 2020 and sought further advice from Chartergates. In November 2020 solicitor's fbc Manby Bowdler LLP were instructed in relation to the County court claim. Despite repeated attempts no formal contact could be made with HMRC to resolve or settle (claim denied in full) the alleged liability.

On 19 March 2021 the company received further determinations under Regulation 80 Income tax (Pay as You Earn) Regulations 2003 and decision under Section 8 Social Security Contributions (Transfer of Functions) Act for the tax year 2016/17 for the sum of £84,620.94. Chartergates were re-engaged in March 2021 in relation to these further claims. Following a further meeting with Chartergates, appeals were lodged on 14 April 2021. In relation to the repayment of tax under s458 a letter was sent by the liquidator to HMRC on 16 April 2021 authorising HMRC to apply any overpayment as discharging liabilities under the appealed assessments.

In light of the above potential liabilities the liquidator requested the shareholders repay funds into the liquidation estate. The shareholders repaid the sum of £200,000 in part repayment of the dividend received.

HMRC submitted a final claim on 26 April 2021 of £84,620.94.

In May 2021 verbal contact was finally made with HMRC. The liquidator subsequently authorised Chartergates instruction. After the period end the company lodged appeals with the First-tier Tax Tribunal.

During the year the liquidator considered the PII insurance maintained by the company and corresponded with the shareholders in relation to the PII and proposed deed of indemnity. The liquidator instructed fbc

Manby Bowder LLP and held meetings with the shareholders in determination of the proposed strategy and provided assistance with the final draft of the indemnity prior to the first distribution. The PII insurance was renewed and premium paid on 17 May 2021.

In addition to the case specific information set out above there is certain work that I am required by the insolvency legislation to undertake in connection with the liquidation that provides no financial benefit for the members. A description of the routine work undertaken since my appointment is contained in Appendix 1.

RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 1 July 2020 to 30 June 2021 is attached. All amounts are shown net of VAT. I have reconciled the account against the financial records that I am required to maintain.

The balance of funds are held in an interest bearing estate bank account.

ASSETS

Tax Refund S455

Book Value:	£101,102	Realised	£nil
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The s455 tax refund is yet to be received and is held pending determination of HMRC liabilities

VAT Refund

Book Value:	£867.18	Realised	£nil
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The Vat refund was received in the company's bank account prior to closure and being transferred to the liquidation estate bank account. No further repayment is due.

CT Refund

Book Value:	£Nil	Realised	£223.34
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Being interest repaid to the company in February 2021

Cash at Bank

Book Value	£3,063,896.80	Realised	£3,064,723.64
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The balance received is that remaining in the company bank account plus final interest accrued. This was received into the estate bank account on 27 July 2020

Bank Interest Received

This is the interest received on the post liquidation bank account operated by the liquidator.

LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has no current charges over its assets.

Preferential Creditors

The Declaration of Solvency anticipated £Nil in respect of preferential creditors. Claims totaling £Nil have been received.

Crown Creditors

The Declaration of Solvency included £Nil owed to HMRC. A final period corporation tax return has been submitted and payment of £48.64 made on 6 October 2020. HMRC's final claim has been received of £84,620.94. HMRC claim is disputed and subject to tax tribunal appeal. Further details are included earlier in this report.

Non-preferential unsecured Creditors

The Declaration of Solvency included one non-preferential unsecured creditor with an estimated total liability of £3,750. I have received the claim of £3,750 from the creditor being Muras Baker Jones Pre appointment fee. Other than HMRC, I have not received any other claims.

Share Capital

All creditors have been paid or provided for in full (together with a provision for statutory interest), and the following distribution was initially made to the Members holding ordinary shares:

Date	Amount distribution	Rate of distribution per share
12 October 2020	£2,918,000	£20,842.86 per share

Following notification of HMRC's further (disputed) determination on 21 March 2021, the distribution was later subject to amendment on 25 March 21 and sum of £200,000 repaid by the shareholders into the

liquidation estate on 15 April 2021. The revised amount distributed being £2,718,000 at a rate of £19,414.28.

PRE-APPOINTMENT REMUNERATION

The Board previously authorised the payment of a fee of £3,750 for preparing the Declaration of Solvency, producing and circulating the notices for the meeting of

The fee for preparing the Declaration of Solvency and convening the meeting was paid on appointment, and is included in the enclosed Receipts and Payments Account within the payments made to unsecured creditors.

LIQUIDATOR'S REMUNERATION

My remuneration was previously authorised by Members by written resolution on 1 July 2020 to be drawn on a time cost basis. My total time costs to 30 June 2021 amount to £23,514, representing 95.10 hours of work at a blended charge out rate of £247.26 per hour.

I have drawn £12,000 to 30 June 2021.

A detailed schedule of my time costs incurred to date is attached at Appendix 2

I sub-contracted some of the work I am required to undertake as Liquidator, namely preparation of final period CT return to Shelvoke Pickering Janney LLP. I sub-contracted this work because it is cheaper than doing it in house and as the Company accountants they have knowledge of the Company's activities. No charge has been made for this work. My choice of sub-contractors was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also confirmed that they hold appropriate regulatory authorisations. I consider that the amount they have charged for their work has ensured that the best value and service was provided to Members.

I have incurred significant time costs in dealing with HMRC determinations which was not anticipated at the commencement of the liquidation. This has entailed various meetings with the members, tax agents and solicitors and extensive correspondence. Further costs will be incurred which is dependent upon the outcome of agents correspondence with HMRC and time scale and outcome of the tax tribunal hearings.

A copy of 'A Members' Guide to Liquidators' Fees', together with an explanatory note which shows Muras Baker Jones Ltd's fee policy are enclosed.

LIQUIDATOR'S EXPENSES

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Expenses are split into:

- category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
- category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an office holder's remuneration.

I have incurred total expenses of £31,621.74. I have drawn £22,330.24 to 30 June 2021.

I have used the following professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
Chartergate legal Services Ltd	Tax solicitors	Fixed fee
Fbc Manby Bowdler LLP	Solicitors	Agreed fee

The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I also confirmed that they hold appropriate regulatory authorisations. I have reviewed the fees they have charged and am satisfied that they are reasonable in the circumstances of this case.

Chatergate Legal Services Ltd were engaged in respect of the advice and appeals relating to HMRC Regulation 80 determinations. The work invoiced relates to the work undertaken up to 18 April 2021. As agreed with members, thereafter, costs have been agreed for a further fixed fee in handling of the appeals in the sum of £7,500 plus VAT.

FBC Manby Bowdler LLP were initial engaged to review and advise upon the companies contractual arrangements. They were further engaged in relation to the Company's PII insurance and drafting of the shareholders indemnity. Latterly they were engaged to act and negotiate in respect of HMRC County Court disputed claim with a view to settling proceedings.

FBC Manby Bowder LLP ("the firm") is an independent firm of solicitors. In accordance with statement of Insolvency number 9 the firm is regarded as an associate due to its long term and mutual client relationship with Muras Baker Jones Limited.

I have incurred the following expenses in the period since the commencement of the Liquidation

Type of expense	Amount incurred/ accrued in the reporting period
Insolvency security Bond	£910
Legal advice	£8,500
HMRC Penalty	£250
Postage	£103.09
London Gazette advertising	£257.55
PII Insurance	£16279.20
Bank Charges	£30.00
Sage	£12.00

Details of the category 1 expenses that I have paid to date are included in the receipts and payments account attached. Postage includes the costs of post redirection (Basepoint of £55.00)

Since the 1 April 2021 I am required to seek approval before I can pay any expenses to associates, or pay expenses where there is an element of shared costs, which are known as category 2 expenses. I have incurred the following category 2 expenses in the period since the commencement of the Liquidation all of which were incurred prior to the 1 April 2021

Type of category 2 expense	Amount incurred/ accrued in the reporting period
Legal advice (associate)	£5229.50
Photocopying	£50.40

FBC Manby Bowder LLP ("the firm") is an independent firm of solicitors. In accordance with statement of Insolvency number 9 the firm is regarded as an associate due to its long term and mutual client relationship with Muras Baker Jones Limited.

Details of the category 2 expenses that I have paid to date are included in the receipts and payments account attached.

The PII insurance is the premium cost for a 12 month renewal of the professional indemnity insurance.

FURTHER INFORMATION

A Member may, with the permission of the court or with at least 5% of the total voting rights of all the Members having the right to vote at general meetings of the company request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report.

A Member may, with the permission of the court or with at least 10% of the total voting rights of all the Members having the right to vote at general meetings of the company, apply to Court to challenge the amount of remuneration charged by the Liquidator as being excessive, and/or the basis of the Liquidator's remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report.

The Liquidation will remain open until appeal proceedings have been fully resolved, tax recoveries made and final dividends declared. Based on current information I estimate that this may be resolved within 12 months and once achieved the Liquidation will be finalised and our files will be closed.

If members have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Mark Botwood on 01902 393000, or by email at mark.botwood@muras.co.uk.



Mark Jonathan Botwood
LIQUIDATOR

Mark Botwood is licenced to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England & Wales

Appendix 1

1. Administration

This represents the work involved in the routine administrative functions of the case by the office holder and his staff, together with the control and supervision of the work done on the case by the office holder. It does not give direct financial benefit to the members, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up physical and electronic case files
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond.
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrator.
- Preparing, reviewing and issuing annual progress reports to Members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

1. Creditors

Claims of creditors - the office holder needs to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case. The office holder also needs to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

Distributions - the office holder has to undertake certain statutory formalities in order to enable him to make a distribution to creditors. This include writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors.

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Issuing a notice of intended dividend and placing an appropriate gazette notice.
- Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.
- Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend.

Entier Associates Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Declaration of Solvency £		From 01/07/2020 To 30/06/2021 £	From 01/07/2020 To 30/06/2021 £
	ASSET REALISATIONS		
	Bank Interest Gross	75.80	75.80
3,063,896.80	Cash at Bank	3,064,723.64	3,064,723.64
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101,102.00	Tax Refund S455	NIL	NIL
867.18	VAT Refund	NIL	NIL
		3,065,022.78	3,065,022.78
	COST OF REALISATIONS		
	Bank Charges	30.00	30.00
	General legal advice	1,000.00	1,000.00
	General Legal Advice (Associate)	3,450.00	3,450.00
	HMRC - Penalty	250.00	250.00
	Insolvency Bond	910.00	910.00
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	Postage	103.09	103.09
	Sage	12.00	12.00
		(34,342.24)	(34,342.24)
	UNSECURED CREDITORS		
	HMRC Corp Tax	48.64	48.64
(3,750.00)	Muras Baker Jones Pre Appointment	3,750.00	3,750.00
		(3,798.64)	(3,798.64)
	DISTRIBUTIONS		
	1st dist 12.10.20@£20,842.86 per share	2,918,000.00	2,918,000.00
	1st distribution partial repayment	(200,000.00)	(200,000.00)
		(2,718,000.00)	(2,718,000.00)
3,162,115.98		308,881.90	308,881.90
	REPRESENTED BY		
	Interest Bearing Current Account		304,577.69
	VAT Receivable		4,304.21
			308,881.90

Note:

The above figures are shown net of VAT

Distributions

A first capital distribution of £20,842.86 per share was declared to the two shareholders holding 140 ordinary £1 shares on 12 October 2020. Subsequently £200,000 repaid and the distribution amended to £19,414.28 per share



Mark Jonathan Botwood
Liquidator

ENTIER ASSOCIATES LTD TIME ANALYSIS FOR THE YEAR TO 30 JUNE 2021

Classification of Work Functions	HOURS RECORDED			Total Hours	Time Costs	Average hourly rate (£)
	Director	Senior Staff	Support Staff			
Administration & Planning	3.70	45.90		49.60	9,979.00	201.19
Realisation of Assets	0.80	2.80		3.60	804.00	223.33
Creditors	0.70	7.40		8.10	1,644.00	202.96
Case Specific	31.10	2.70		33.80	11,087.00	328.02
Total Hours	36.30	58.80	0.00	95.10		
Total Fees Claimed (£)	12342.00	11172.00			23,514.00	247.26

MURAS BAKER JONES LIMIED

PRACTICE FEE RECOVERY POLICY

Introduction

This sheet explains the alternative fee bases allowed by the insolvency legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court. The report accompanying the request to fix the basis of remuneration will indicate the basis, or bases, being requested in that particular case and will make it clear what work is to be undertaken in respect of each basis.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) "Payments to Insolvency Office Holders and their Associates from an Estate" and can be accessed at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/guide-to-liquidators-fees/>

Alternatively, a hard copy may be requested from Muras Baker Jones Limited, Regent House, Bath Avenue, Wolverhampton, WV1 4EG. Please note that we have provided further details in this policy document.

SIP 9 also contains various requirements that the office holder has to comply with in connection with their remuneration, both when seeking approval and when reporting to creditors and other interested parties after approval. One of the matters that an office holder has to comply with is that they must also seek approval for any payments that could reasonably be perceived as representing a threat to the office holder's objectivity or independence by virtue of a professional or personal relationship, including to an associate. Where it is anticipated that such payments will be made in a case they will be separately identified when seeking approval for the basis of the office holder's remuneration.

Other than in respect of Voluntary Arrangements an office holder is required to record the time spent on casework in all cases, even if they are being remunerated for that work on a basis other than time costs. Time is recorded directly to the relevant case and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Case Administration (including statutory reporting).
- Realisation of Assets.
- Investigations.
- Creditors (claims and distributions).
- Trading
- Case specific matters.

Time cost basis

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

Charge out Rates

Grade of staff	Current charge-out rate per hour, effective from 1 July 2020 £	Previous charge-out rate per hour, effective from 1 July 2019 to 30 June 2020 £
Director – appointment taker	340	324
Case Administrator	190	181
Support Staff	36	36

Where necessary and appropriate, members of staff from other departments of the practice will undertake work on a case. They will be charged at their normal charge out rates for undertaking such work, as follows:

Grade of staff	Current charge-out rate per hour, effective from 1 July 2020 £	Previous charge-out rate per hour, effective from 1 July 2019 to 30 June 2020 £
Tax Director	298	284
Assistant tax manager	127	150
Corporate Services Manager	126	120
Payroll assistant	57	54

In cases where these staff undertake work, specific approval will be sought for the payment of the fees incurred.

These charge-out rates charged are reviewed on 1 July each year and are adjusted to take account of inflation and the firm's overheads.

When we seek time costs approval, we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate, and by reference to each separate category of work. The blended rate is calculated as the prospective average cost per hour, based upon the estimated time to be expended by each grade of staff at their specific charge out rate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

A report accompanying the request to fix the basis of remuneration will include the fees estimate, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case,

any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will summarise that information in an average or “blended” rate for all of the work being carried out within the estimate, and by reference to each separate category of work, and will also say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. A report accompanying the request to fix the basis of remuneration will set out the potential assets in the case, the remuneration percentage proposed in respect of any realisations and the work covered by that remuneration, which may solely relate to work undertaken in connection with the realisation of the assets, but might also include other categories of work as listed above. The report will also include details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

A percentage of distributions made to unsecured creditors may also be requested, in order to cover the work associated with the agreement of claims and making the distribution.

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 it will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

Fixed fee

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. A report accompanying the request to fix the basis of remuneration will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 we will also explain why the basis

requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

Direct Costs

Where we seek approval on a percentage and/or fixed fee basis, in order to meet the requirements of SIP 9 we also have to disclose the direct costs that are included within the remuneration that will be charged on those bases in respect of the work undertaken. The direct costs that will be included in respect of work undertaken in respect of each of the standard categories of work listed below where the office holder is to be remunerated for such work on either a percentage or fixed fee basis are all costs incurred in administering the estate apart from those expenses charged to the estate as Category 1 expenses and category 2 expenses

- Case Administration (including statutory reporting)
- Realisation of Assets
- Investigations
- Creditors (claims and distributions)

Mixed basis

If remuneration is to be sought on a mixed basis, we will make it clear in the report accompanying the request to fix the basis of remuneration which basis will be charged for each category of work that is to be undertaken on the case.

Members' voluntary liquidations and Voluntary Arrangements

The legislation is different for members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) and Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee, and SIP 9 does not apply unless the members specifically request it. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

All fee bases

With the exception of IVAs and CVAs, which are usually VAT exempt, the office holder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Expenses

As already indicated, a report will accompany the request to fix the basis of remuneration and that will include details of expenses to be incurred, or likely to be incurred. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Expenses are any payments from the insolvent estate that are neither an office holder's remuneration nor a distribution to a creditor, or a member. Expenses also include disbursements. Disbursements are payments that are first paid by the office holder and then reimbursed from the insolvent estate.

Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do (Category 2).

Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder. They can be paid by the office holder without obtaining prior approval. . Examples of costs that may amount to Category 1 expenses are professional advisors (who are not associates), statutory advertising, external meeting room hire (where the room is only hired for that meeting), external storage, specific penalty bond insurance, insolvency case management software fees charged on a per case basis, and Company search fees.

Category 2 expenses are either payments to associates, or payments in respect of expenses that have an element of shared costs, such as photocopying and mileage. Category 2 expenses require approval in the same manner as an office holder's remuneration before they can be paid.`

The practice intends to seek approval to recover the following Category 2 expenses that include an element of shared costs:

Mileage	45p per mile
Photocopying	7.5p per sheet

Professional advisors may be instructed to assist the office holder on the case where they consider that such assistance is necessary to enable them to appropriately administer the case. The fees charged by any professional advisors used will be recharged at cost to the case. Where the professional advisor is not an associate of the office holder it will be for the office holder to agree the basis of their fees. Where the professional advisor is an associate of the office holder it will be for those responsible for fixing the basis of the office holder's remuneration to approve payments to them. The fees of any professional advisors are subject to the rights of creditors to seek further information about them or challenge them as summarised below. Professional advisors that may be instructed on a case include:

- Solicitors/Legal Advisors;
- Auctioneers/Valuers;
- Accountants;
- Quantity Surveyors;
- Estate Agents;
- Pension specialists;
- Employment Claims specialists; and
- GDPR/Cyber Security specialists.

Where FBC Manby Bowdler Solicitors LLP are instructed by the office holder as a professional advisor to assist in administering a case they will be regarded as an associate. The firm and some of its partners are clients of the office holders practice for accountancy and taxation services, and have a long term professional relationship with the office holder and the office holders practice in providing legal advice on insolvency matters, and legal advice to clients of the practice. The firm is independent of the office holders practice. Their fees will be on a time costs basis with reference to their normal charge out rates. Their current charge out rates are as follows

Grade of staff	Current charge-out rate per hour, effective from 1 April 2021 £	Previous charge-out rate per hour, effective from 1 April 2020 to 31 March 2021 £
Partners	280	265
Senior Associate	260	245
Associate/Team leader	250	240
Senior Solicitor	245	230
Senior Solicitor & Legal Exec	235	220
Solicitor/Legal Exec band 2	215	200

Solicitor/Legal Exec band1	195	180
Paralegal/Trainee	155	145
Cost Drafting	155	145
Support staff	115	105

Reporting and rights to challenge

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration charged by the office holder in the period covered by the report, i.e., the amount that the office holder is entitled to draw, together with the amount of remuneration actually drawn. If approval has been obtained for remuneration on a time costs basis, the time costs incurred will also be disclosed, whether drawn or not, together with the "blended" rates of such costs. The report will also compare the actual time costs incurred with those included in the fees estimate prepared when fixing the basis of the remuneration, and indicate whether the fees estimate is likely to be exceeded. If the fees estimate has been exceeded, or is likely to be exceeded, the report will explain why that is the case.

The report will also provide information about expenses incurred in the period covered by the report, together with those actually paid, together with a comparison with the estimated expenses. If the expenses incurred, or anticipated to be incurred, have exceeded the estimate provided the report will explain why that is the case.

Under the insolvency legislation the report must also include a statement of the legislative rights of creditors to request further information about the remuneration charged and expenses incurred in the period covered by the report, or to challenge them on the grounds that they are excessive. Extracts of the relevant insolvency rules dealing with these rights are set out below. Once the time period to seek further information about the office holder's remuneration and/or expenses for the period covered by the report has elapsed, then a Court Order is required to compel the office holder to provide further information about the remuneration and expenses. A Court order is required to challenge the office holder's remuneration and/or expenses for the period covered by the report. Once that period has elapsed, then a separate Court Order is required to allow an application out of time.

Under rule 18.9 of the Insolvency (England and Wales) Rules 2006, an unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the office holder's remuneration and expenses, within 21 days of receipt of any report for the period. Any secured creditor may request the same details in the same time limit.

Under rule 18.34, an unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the office holder's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of any report for the period. Any secured creditor may make a similar application to court within the same time limit.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

LIQUIDATION - **A MEMBERS' GUIDE TO FEES** IN 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.
- 1.2 In addition to the insolvency legislation, Insolvency Practitioners also have to comply with various Statements of Insolvency Practice (SIP). SIP 9 deals with payments to office holders and their associates from an insolvency estate, and this Guide includes information about various disclosure requirements imposed on the Liquidator by SIP 9. However, the disclosure requirements of SIP 9 do not apply to Members' Voluntary Liquidations unless those paying the Liquidator's fees want the Liquidator to make such disclosure.

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 18.16 of The Insolvency (England and Wales) 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 Who fixes the remuneration?

Rule 18.19 indicates that 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 18.16(9) 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 general meeting of the Company 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

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

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:

- all 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, what is being done and how much it will cost.

5.1.4 All payments from an estate should be fair and reasonable and proportionate to the liquidation. Payments to the Liquidator from an estate should be fair and reasonable reflections of the work necessarily and properly undertaken.

5.1.5 Payments to the associates of a liquidator from the estate should be fair and reasonable reflections of the work necessarily and properly undertaken in the liquidation.

5.1.6 Payments that could reasonably be perceived as presenting a threat to the liquidator's objectivity or independence by virtue of a professional or personal relationship, including to an associate, should not be made from the estate

unless disclosed and approved in the same manner as the liquidator's remuneration or category 2 expenses.

5.1.7 Disclosures by a liquidator should be of assistance to members and other interested parties in understanding what was done, why it was done, and how much it cost.

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. Such an approach allows the members to better recognise the nature of a liquidator's role and the work they intend to undertake, or have undertaken, in accordance with these key issues.

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 Expenses

5.3.1 Expenses are any payments from the estate which are neither a Liquidators remuneration nor a distribution to a creditor or member. Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2).

- Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not associates of the Liquidator. Category 1 expenses 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 expenses: These are payments to associates or which have an element of shared costs. 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. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.

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 expenses, 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 expenses:

- a charge calculated as a percentage of remuneration;
- an administration fee or charge additional to the Liquidator's remuneration;
- the recovery of overheads other than those absorbed in the charge out rates.

6. Progress reports and requests for further information

6.1 The Liquidator is required to send annual progress reports to members. In addition to the items described above and especially those in paragraph 5.2.1, the reports must include:

- details of the basis fixed for the fee 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 fee 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 fee charged during the periods covered by the previous reports, together with a description of the things 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;
- details of progress during the period of the report, including a summary of the receipts and payments during the period;
- details of what remains to be done;

- where appropriate, a statement setting out whether, at the date of the report:
 - the expenses incurred or expected to be incurred are likely to exceed, or have exceeded, the details given to the creditors prior to the determination of the basis of fees; and
 - the reason for that excess.
 - a statement of the members' rights to request further information, as explained in paragraph 6.2, and their right to challenge the Liquidator's fees and expenses.
- 6.2 Within 21 days of receipt of a progress report, 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 Liquidator is appointed on or after 1 October 2015, or where information is provided by the Liquidator about fees, expenses or other payments after 1 April 2021.

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.