

LIQ03

Notice of progress report in voluntary winding up



Companies House

SATURDAY



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21/12/2019

#183

COMPANIES HOUSE

1 Company details

Company number 0 9 1 2 4 2 6 0

Company name in full Bath Design & Build Ltd

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Steven

Surname Elliott

3 Liquidator's address

Building name/number 38-42 Newport Street

Street SWINDON

Post town Wiltshire

County/Region

Postcode S N 1 3 D R

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.

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6 Period of progress report

From date	^d 2	^d 3	^m 1	^m 0	^y 2	^y 0	^y 1	^y 8
To date	^d 2	^d 2	^m 1	^m 0	^y 2	^y 0	^y 1	^y 9

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X




Signature date

^d 2	^d 0	^m 1	^m 2	^y 2	^y 0	^y 1	^y 9
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LIQ03

Notice of progress report in voluntary winding up

 Presenter information	
You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.	
Contact name	Joe Whiley
Company name	MHA Monahans
Address	38-42 Newport Street
	Swindon
Post town	SN1 3DR
County/Region	
Postcode	
Country	
Dx	insolvency@monahans.co.uk
Telephone	01793 818300
 Checklist	
We may return forms completed incorrectly or with information missing.	
Please make sure you have remembered the following:	
<input type="checkbox"/> The company name and number match the information held on the public Register.	
<input type="checkbox"/> You have attached the required documents.	
<input type="checkbox"/> 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

Bath Design & Build Ltd – In Creditors' Voluntary Liquidation
Liquidator's Progress Report for the Year Ended 22nd October 2019

Company Number	09124260
Registered Office	38-42 Newport Street, Swindon SN1 3DR
Principal Trading Address	1B Mile End, London Road, Bath, BA1 6PT
Nature of Business	General Construction and Civil Engineering
Liquidator	Steve Elliott (IP No. 11110)
Date of Appointment	23rd October 2018
Contact Details	MHA 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 the Liquidator's Time Costs for the year ended 22nd October 2019.
3. Summary of work done
4. *Summary of Insolvency Rules 18.9 and 18.34: the information and challenge provisions.*

1. Introduction

I, Steve Elliott, was appointed Liquidator of Bath Design & Build Ltd on 23rd October 2018 at a meeting of the company's members, a decision which was ratified by creditors on the same day by Deemed Consent. This is my report explaining the progress made during the first year of the liquidation.

2. Background

The following background information was provided by the managing director, Waylon Gasson, regarding the company's history and the events leading to liquidation:

Bath Design & Build Ltd was set up in July 2014 to provide a service to carry out full 'design & build' contracts for customers in and around Bath and Bristol. In the first year, the company picked up a number of contracts and the company was going well. At the end of the second year of trading the company was making profits and was continuing to secure large contracts from local developers and investors.

In the third year of trading during 2017, two contracts in Bath went severely over budget. One of these contracts, with a local developer, also resulted in a large bad debt. At this point the company starting showing large losses and the Shareholders made the decision to inject funds into the business in order to continue trading. It was hoped that the company would recover from the bad debts through profits on the next few projects and recovering some monies on the previous contract, with a settlement being agreed.

The business continued to trade for another 12 months working on two large projects. At the halfway stage, these projects appeared on track to make good profits the company also continued to pursue the bad debt through solicitors as the initial settlement agreement was not received.

However, towards the end of the financial year (2017-2018), with delays in the projects due to start in 2018, and the current projects not making enough to cover overheads, the company started to again experience cashflow issues. The company had been finding it increasingly difficult to make a viable profit, which we believe is largely due to the increasing costs of building materials, seen across the industry.

Through September the Shareholders held a series of meetings to evaluate the debts and mounting creditors and, at this point, it became clear that the company was not able to continue. To bring the company out of its financial troubles such a large sum of money would have needed to be injected that it was just not commercially viable. On 27th September the decision was made to liquidate the company.

3. Statement of Affairs

The assets and liabilities of the liquidation estate as disclosed in the director's Estimated Statement of Affairs were as follows:

	Book Value £	Estimated to Realise £
<u>Assets</u>		
<u>Subject to Fixed Charge</u>		
Telehandler	17,500.00	17,500.00
Less due to Hitachi Capital (UK) Plc	(12,405.22)	(12,405.22)
Surplus to carry down	5,094.78	5,094.78
Motor Vehicle	4,800.00	4,800.00
Less due to HFGL Limited	(3,914.00)	(3,914.00)
Surplus to carry down	886.00	886.00
<u>Uncharged Assets</u>		
Surplus brought down	5,980.78	5,980.78
Plant & Machinery	23,217.00	4,800.00
Furniture & Equipment	500.00	500.00
Book Debts	150,000.00	Uncertain
	£179,697.78	£11,280.78
<u>Liabilities</u>		
<u>Preferential Creditors</u>		
Employee Wage Arrears & Holiday Pay	5,374.40	5,374.40
<u>Unsecured Creditor</u>		
Trade & Expense Creditors	362,627.81	362,627.81
Director's Loan	2,528.80	2,528.80
HM Revenue & Customs PAYE/NIC & CIS Tax	15,897.76	15,897.76
HM Revenue & Customs VAT	7,667.77	7,667.77
	388,722.14	388,722.14
<u>Deficiency to Unsecured Creditors</u>	£(209,024.36)	£(377,441.36)

4. Receipts & Payments Account

My receipts and payments account for the liquidation is attached. All figures on the account are shown net of VAT.

5. Assets and Realisations

5.1 Sale of Tangible Assets

Prior to company entering into liquidation, and in readiness for my appointment as Liquidator, Lambert Smith Hampton ("LSH"), an independent firm of RICS valuers, were instructed to undertake a valuation on the company's tangible assets, to consider whether there was sufficient equity in the financed assets to warrant settling the ongoing agreements and, finally, to advise on the most appropriate mode of sale.

The assets were valued as a going concern and on a break-up basis, as follows:

Asset	Going Concern		Removal	
	£		£	
Plant and Equipment		5,600.00		2,500.00
Office Furniture & Equipment		220.00		100.00
Telehandler	15,000.00		11,500.00	
Less outstanding on Finance	(12,424.92)	2,575.08	(12,424.92)	Nil
Motor Vehicles	4,600.00		4,200.00	
Less outstanding on Finance	(3,913.86)	686.14	(3,913.86)	286.14
Vauxhall Vivaro	7,300.00		6,700.00	
Less outstanding on Agreement	(7,647.94)	Nil	(7,647.94)	Nil
		£9,081.22		£2,886.14

Prior to the date of liquidation, a former company director expressed an interest in purchasing the company's assets, and LSH were instructed to explore a potential offer to avoid incurring costs such as marketing and uplift of the assets.

In accordance with provisions contained within Statement of Insolvency Practice 13, which requires full disclosure of any sales involving parties connected with the company in liquidation, I provide the following information:

- A sale of the company's assets was agreed with Hughes Trading Co (Bath) Limited on 24th October 2018.
- Bradley and Julia Hughes are both directors of Hughes Trading Co (Bath) Limited and had both been directors of Bath Design and Build Ltd within 12 months of the winding-up.
- The sale was effected via private treaty for a total of £36,100.00 and, as part of the deal, all finance agreements, totalling £20,343.42, were settled. The net return to the liquidation was £15,756.58.
- As asset realisations achieved more than £6,000.00 above LHS's valuation, it was appropriate to conclude a sale without incurring the expense of marketing and uplift.

5.2 Book Debts

On 9th December 2015, the company had entered into a significant JCT contract, in respect of which the company received £701,093.91. A total of £157,564.71 remained outstanding at the date of liquidation.

However, that balance was disputed due to complaints regarding quality of workmanship and other various issues arising on the project.

In June 2017, the debtor had agreed to pay the company £38,000.00 in full and final settlement, on the basis of the company completing some minor snagging. It was agreed that balance would be paid on either the sale of the property that the works related to, or within a maximum of 6 months from the agreement, whichever was earliest.

Unfortunately, the property was taken off the market and no payment was made within the agreed timescale. The debtor raised further issues with the snagging works that had been completed by the company and has refused to pay any sum towards that.

I made several attempts to collect the debt, all of which disputed by the debtor on the grounds that firstly, they did not agree that anything was due on the contract and, secondly, should the monies be owed to the company, the debtor had paid over and above the amount claimed by the company to put right snagging or poor workmanship.

MDA Consulting Ltd, a firm of Quantity Surveyors who specialise in insolvency matters, were instructed to undertake a review of the company's papers to establish whether the merit of the debtor's counterclaims.

The matter is still ongoing but, due to commercial sensitivity of this matter, I am unable to provide further details at this stage.

5.3 Utility Refund

Due to developing various sites whilst trading, the company was responsible for multiple utility bills. Overpayments had been made on three of those accounts and, following their closure, the following refunds were received:

EDF Energy	£17.75
The Renewable Energy Company	£165.77
Npower	£127.02
Total	<u>£310.54</u>

5.4 Sundry Refund

A sundry refund of £83.33 was received from the DVLA in respect of prepaid road tax on the company's vehicles.

5.5 Post-Liquidation Bank Credits

Following the date of liquidation, two bank transfers totalling £2,414.88 were received into the company's former NatWest Bank account.

On further investigation, these payments were made by HMRC in respect of VAT refunds.

I can confirm that the Natwest Bank account has now been closed.

5.6 Bank Deposit Interest

Gross interest of £3.27 has been earned on funds held in the liquidation account to date.

6. Payments to Date

The majority of payments on the attached account are self-explanatory, and I will comment only on the following:

6.1 Preparation of Statement of Affairs and the Deemed Consent Procedure

The following activities listed provide a brief overview of the work, excluding general advice to the company, undertaken by my firm prior to the company entering liquidation:

- Company searches and Anti-Money Laundering checks are carried out.
- Creditor information is gathered from various sources (such as accounting software, the director, physical files, etc.) and is entered into our specialist insolvency software.
- Facilitating with the instruction of an employment specialist, to assist employees with submitting their online claims and to collect in the data needed for the Statement of Affairs.
- Preparing paperwork for a Board meeting to call a General Meeting and convene a Decision Procedure.
- Writing to all creditors with notice of the Decision Procedure and requesting details of their claims.
- Obtaining information regarding the company's assets.
- Amalgamating the information obtained to compile a draft Statement of Affairs for the director's approval.
- Extracting information from past accounts and reconciling those to the Statement of Affairs in the form of a Deficiency Account.
- Writing to all creditors again to provide them with the director's Statement of Affairs, Company History, Statutory Information and Deficiency Account.
- Monitoring, logging and responding to creditor claims and queries.

On 19th November 2018, approval was sought from creditors, by correspondence with a voting deadline of 23.59 on 11th December 2018, for £5,000.00 specifically in relation to the convening of the Decision Procedure and assisting with the Statement of Affairs.

Three votes were received before the deadline; two of which, with claims totalling £3,931.22, were in favour and the other, with a claim of £120.00 voted against. More than 50% of those voting voted in favour of the resolution and it was passed.

I can confirm that these pre-liquidation fees were settled during the first year of the liquidation.

6.2 Liquidator's Remuneration

My remuneration was approved on a time cost basis based on a fees estimate of £23,688.00. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors.

My total time costs to 22nd October 2019 amount to £16,261.00, representing 90.6 of hours work at a blended charge out rate of £179.48 per hour and I have drawn £9,250.00 against those during this reporting period.

The actual blended charge out rate incurred compares with the estimated blended charge out rate of £194.00 in my fees estimate. There is a difference in the blended rate charged, compared with the estimated blended rate because the lack of response from the debtor has meant senior staff have not needed to be involved with anticipated negotiations.

6.3 Agents'/ Valuers' Fees

LSH were instructed to attend the company's premises, undertake a valuation of its assets and to assist with the sale.

As part of their role, they handled negotiating with the director and drawing up the necessary paperwork to complete the sale. They liaised with the various finance companies to ensure that their terms allowed the liquidator to sell the assets and to settle the outstanding balances on the assets.

Their discounted time costs of £1,500.00, plus disbursements of £36.14, have been paid.

Further agent fees of £1,250.00 have been incurred with MDA Consulting Ltd for their work reviewing the sole remaining book debt. Whilst those were accrued during the first year of the liquidation, they were settled after and will feature in future Receipt and Payment accounts.

6.4 Liquidator's disbursements

Various payments have been made during the winding up in respect of statutory requirements.

The sum of £48.00 was paid to AUA Insolvency Risk Services Limited for the Liquidator's Bond of Specific Penalty, the cost of which is based on the value of the assets under the Liquidator's control.

£230.85 has been paid to date for advertising in the London Gazette to conform with the statutory requirements of the insolvency legislation.

To comply with Money Laundering Regulations, Smart Searches had to be undertaken on the company, its director and shareholders at a cost of £17.95.

Necessary expenses of the liquidation such as these that are recharged to the case at cost are classed as 'Category 1' disbursements and do not require approval.

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 creditors' approval. No Category 2 disbursements have been recharged to this case.

7. Books and Records

The director provided me with the company's books and records, both electronic and physical. I held those locally in order to carry out my statutory investigations and, having completed those, instructed Restore Plc, an offsite storage provider used by my firm, to collect and store those.

The cost for collection was £5.80 and monthly ongoing storage charge is £0.96. The costs incurred to date total £15.40 and have been paid by my firm, they will be recharged to the liquidation in due course.

Storage charges will continue to accrue and there will be a cost for destruction of the records at the appropriate time after the liquidation has concluded, I anticipate the total cost in respect of storage and eventual destruction to be less than £45.00.

8. Investigation

One of my duties as Liquidator is to investigate the causes of the company's failure, and to examine the company's records for any antecedent transactions that could possibly be reversed to increase realisations for creditors, such as preferences or transactions at an undervalue as described in Sections 238 and 239 of the Insolvency Act 1986. Whilst my investigation may produce additional funds for creditors, this is in no way guaranteed.

One of the purposes of the investigation is to assist me in reporting to the Insolvency Service on the conduct of those who acted as a director of the company during the three years prior to liquidation, as required under the Company Directors Disqualification Act 1986. This does not have any direct benefit for creditors, but is important for the regulation of those who hold the office of director and is ultimately in the public interest.

I can confirm that I carried out my investigation into the company's affairs and the circumstances leading to the company's failure, in this case I undertook the following:

- I recovered, listed and reviewed the company's accounting records.
- Obtained copy bank statements from the company's bankers, reviewed and analysed those for the period of 1st August 2018 to the date of liquidation.
- Comparing the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the liquidation.

Following my appointment as Liquidator, creditors were invited to bring my attention to any matter that they deemed relevant to my investigation. A creditor raised concerns regarding payments made to other specific creditors and the apparent transfer of three contracts. I considered both:

- Some of the company's suppliers and subcontractors had been paid. However, the source of those payments were not from company funds, they were paid by a connected party.
- The company's income came from various Special Purpose Vehicles ("SPVs"), all under the control of connected parties. From the records available to me, it appears that the main contracts were held by the SPVs and that Bath Design & Build Limited were subcontractors.

Having concluded my investigations, I am satisfied I am satisfied that there are no potential causes of action against third parties which, if pursued, would increase recoveries for creditors.

9. Creditors

9.1 Preferential Creditors

Employee claims for arrears of wages, up to the first £800.00, and holiday pay rank preferentially. All other employee claims rank as unsecured.

The Redundancy Payments Service ("RPS") will make payment to employees for holiday pay, wage arrears, redundancy pay and payment in lieu of notice up to a statutory limit, set at £508.00 per week (as at the date of liquidation). The RPS will then have a subrogated claim in the liquidation for the monies they have paid to employees. I can confirm that I have received a preferential claim from the RPS of £13,288.63.

Residual claims from employees in respect of preferential claims will only occur if they earn over the statutory maximum weekly amount. Whilst I have not adjudicated on claims, I estimate those residual claims to be £1,431.43.

Although a dividend is unlikely, should one be declared any preferential claim would need to be paid in full, ahead of a dividend to non-preferential unsecured creditors.

9.2 The Prescribed Part

There were no known floating charges created or registered in respect of the company on or after 15th September 2003 to which the prescribed part provisions of Section 176A of the Insolvency Act 1986 would apply.

9.3 Unsecured Creditors

The Statement of Affairs listed sixty-five non-preferential unsecured creditors with estimated total liabilities of £388,722.14.

To date, I have received proofs from thirty-five unsecured creditors with claims totalling £248,864.12, made up as follows:

- Thirty-two trade and expense creditors have submitted claims totalling £210,461.87.
- Redundancy Payments Service have submitted an unsecured claim for £4,862.12 in respect of employee redundancies, payment in lieu of notice and wage arrears over £800.00.
- Natwest Bank Plc, the company's former bankers, have submitted a claim of £8,261.02.
- HM Revenue and Customs are owed £25,250.14, made up of:
 - CIS - £100.00.
 - PAYE/Ni - £19,436.74.
 - VAT - £5,713.40.

As there is no prospect of a dividend at present, I have not formally agreed any claims unless specifically requested to.

10. Estimated Outcome

Based on current realisations and costs in the liquidation, there are insufficient funds to pay a dividend to creditors.

Once the debtor matter has been settled, I will be able to formally confirm the position.

11. Completion of the winding up

The Liquidation will remain open until the debtor matter has been concluded. I estimate that this will take approximately between 1-4 months, and once resolved the Liquidation will be finalised and our files will be closed.

If members should have any queries, please do not hesitate to contact the case manager, Joe Whiley (tel: 01793 818338 or email: joe.whiley@monahans.co.uk).

Dated: 20th December 2019



Steve Elliott MIPA
Liquidator

Bath Design & Build Ltd
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs £	From 23/10/2018 To 22/10/2019 £	From 23/10/2018 To 22/10/2019 £
	HIRE PURCHASE	
	Finance Settlements	NIL
(3,914.00)	HFGL Limited	3,442.04
(12,405.22)	Hitachi Capital (UK) PLC	10,354.10
	LeasePlan UK Limited	6,547.28
4,800.00	Motor Vehicle	(4,600.00)
17,500.00	Telehandler	(17,500.00)
	Vauxhall Vivaro	(8,700.00)
		<u>10,456.58</u>
	ASSET REALISATIONS	
	Bank Interest Gross	3.27
Uncertain	Book Debts	NIL
500.00	Furniture & Equipment	500.00
4,800.00	Plant & Machinery	4,800.00
	Post-Liquidation Bank Credits	2,414.88
	Sundry Refund	83.33
	Utility Refund	310.54
		<u>8,112.02</u>
	COST OF REALISATIONS	
	Agents/Valuers Fees	1,536.14
	AML Requirements	17.95
	Costs of Statutory Meeting	5,000.00
	Liquidator's Remuneration	9,250.00
	Premium on Indemnity Bond	48.00
	Statutory Advertising	230.85
		<u>(16,082.94)</u>
	PREFERENTIAL CREDITORS	
(5,374.40)	Employee Arrears/Hol Pay	NIL
		<u>NIL</u>
	UNSECURED CREDITORS	
(15,897.76)	Banks/Institutions	NIL
(2,528.80)	Employees	NIL
(7,667.77)	HMRC - PAYE	NIL
(362,627.81)	Trade & Expense Creditors	NIL
		<u>NIL</u>
	DISTRIBUTIONS	
(100.00)	Ordinary Shareholders	NIL
		<u>NIL</u>
(382,915.76)		2,485.66
	REPRESENTED BY	
	Bank 1 Current	2,485.66
		<u>2,485.66</u>



Steven Elliott
Liquidator

Bath Design & Build Ltd – In Creditors' Voluntary Liquidation

Summary of the Liquidator's Time Costs from 23rd October 2018 to 22nd October 2019

Classification of Work	Partner	Senior Manager	Case Manager	Insolvency Administrator	General Administrator	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	-	4.9	2.0	11.1	11.3	29.3	£4,753.50	£162.24
Investigations	-	2.8	-	7.8	-	10.6	£2,014.00	£190.00
Asset Realisation	-	9.5	0.2	2.7	-	12.4	£3,020.50	£243.59
Creditors & Employees	-	0.9	-	25.9	1.7	28.5	£4,651.50	£163.21
Debtors	1.1	-	-	8.7	-	9.8	£1,821.50	£185.87
Total Time Costs	£369.50	£4,686.50	£475.00	£9,187.00	£1,384.00	-	£16,261.00	-
Total Hours	1.1	18.1	2.2	56.2	13.0	90.6	-	-
Average Hourly Rate	£335.91	£258.92	£215.91	£163.47	£106.46	-	-	£179.48

Staff Hourly Charge-out Rates (revised periodically, usually on 1st April)

01.10.2018 to 01.04.19
31.03.2019 onwards
£

Partner	325.00	340.00
Other IPs	305.00	320.00
Senior Manager	265.00	275.00
Case Manager	210.00	220.00
Insolvency Administrator	160.00	170.00
General Administrator	105.00	110.00

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

Appendix 3

Bath Design & Build Ltd – In Creditors' Voluntary Liquidation

Summary of work undertaken in the liquidation

Time is recorded to a case in units and each unit comprises 6 minutes. The time cost categories usually include the following:

Activity	Examples of Work
Administration & Planning	Case review & case diary management Strategy planning & control IPS set up & maintenance Cashiering & accounting Statutory matters (meetings, reports and notices)
Asset Realisation	Identifying, securing, insuring assets Retention of title claims Property, business & asset sales
Creditors & Employees	Communication with creditors Creditors' claims Dealing with pension
Book Debts	Book debt collection
Investigations	SIP2 review CDDA report Investigations (antecedent transactions)

Work carried out specific to the case

Administration & Planning

- Notifying creditors and various HMRC offices of appointment
- Filing Notice of Appointment, Statement of Affairs and company resolutions at Companies House
- Advertising Notice of Appointment, Notice to Creditors and company resolutions in London Gazette
- Search of Pension Protection Fund website and accounts for any pension schemes in company's name
- Considering and preparing strategy
- Regular file reviews
- Preparation of fee report and circulating to creditors
- Preparation of final account, circulating to creditors and filing at Companies House

Asset Realisation

- Working with closely with director and agents to achieve sale of the company's assets
- Writing to the debtor, trying to establish the amount truly owed and working with agents
- Approaching litigation funders/debt purchasers

Creditors

- Dealing with creditors' enquiries by letter, telephone and via email
- Recording claims received
- Correspondence with HM Revenue & Customs regarding sums due in respect of outstanding PAYE/NIC, VAT and Corporation Tax
- Dealing with employee claims, ensuring forms submitted to the Redundancy Payments Service.

Summary of work undertaken in the liquidation (continued)

Statutory

- Investigation in accordance with Statement of Insolvency Practice 2
- Report under the Company Directors Disqualification Act 1986

As part of investigation:

- Considering the course the investigation should take to most benefit creditors
- Review of company's books and records
- Analysis of bank transactions, wage records etc.
- Correspondence with company's former bank
- Establishing that the sale of vehicle prior to liquidation was for value
- Investigation of specific matters following review of records and requests from creditors
- Correspondence by letter and email with directors to obtain additional information and responses to matters raised

Miscellaneous

- Completion of VAT returns, eventual deregistration and recovery of input VAT thereafter
- Submission of liquidation period corporation tax return

Appendix 4

Summary of Rules 18.9 & 18.34 of the Insolvency (England & Wales) Rules 1986

Creditors' requests for further information about a Liquidator's remuneration or expenses

Under Rule 18.9, within 21 days of receipt of a progress report or a final account a creditor may request that the Liquidator provides further information about the remuneration and expenses set out in the report. A request must be in writing, and may be made by:

- a secured creditor, or
- an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
- any unsecured creditor with the permission of the court.

If the Liquidator refuses to provide the information requested within 14 days, any creditor has a further 21 days to apply to the court for an order requiring the Liquidator to comply.

Creditors' claims that remuneration is or other expenses are excessive

Under Rule 18.34, where

- a secured creditor, or
- an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
- any unsecured creditor 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 progress report or final account which first reports the charging of the remuneration or the incurring of the expenses in question.

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 18.36(4).

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