

The Insolvency Act 1986**Liquidator's Progress
Report****S. 192****Pursuant to section 192A and 104A
of the Insolvency Act 1986**

To the Registrar of Companies

For official use

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Company Number

09226808

Name of Company

(a) Insert full
name of company

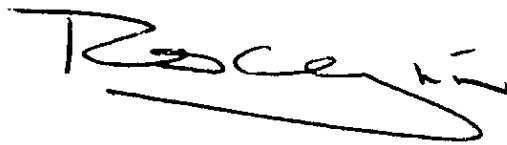
(a) BONBONS NURSERIES LIMITED

(b) Insert full
name(s) and
address(es)

I (b) Raymond Stuart Claughton

Rushtons Insolvency Limited, 3 Merchant's Quay, Ashley Lane, Shipley,
West Yorkshire, BD17 7DBthe liquidator of the company attach a copy of my Progress Report under
section 192 of the Insolvency Act 1986 for the period 8th April 2016 to 7th
April 2017.

Signed

Date 7th June 2017Presenter's name,
address and
reference
(if any)Raymond Stuart Claughton
Rushtons Insolvency Limited, 3 Merchant's Quay, Ashley Lane, Shipley,
West Yorkshire, BD17 7DB
RSC/IPH/AJT

WEDNESDAY



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COMPANIES HOUSE

Bonbons Nurseries Limited ("the Company") Creditors' Voluntary Liquidation ("CVL")
Registered number: 09226808
Liquidator's Progress Report for the period from 8th April 2016 to 7th April 2017

Raymond Stuart Cloughton of Rushtons Insolvency Limited, is the Liquidator of the Company and this is his first progress report concerning the liquidation of the Company.

Key highlights of this report

A summary of the key information contained within this report is as follows:

- Assets realised total £6023.11
- Creditors claim paid in full total £Nil
- Distributions in Specie to member's total £Nil
- Cash distributions to member's total £Nil
- Liquidator's remuneration was approved by creditors on a fee estimate and fixed on a time costs basis via a decision procedure which took place on 8th April 2016. To date, no Remuneration has been drawn

Appendices

The following appendices are attached which should be read in conjunction with this report:

Appendix 1	Statutory Information
Appendix 2	Receipts and Payment Account (Receipts and Payments are shown net of VAT)
Appendix 3	Summary of Liquidator's Activities
Appendix 4	Category 1 and 2 Disbursements
Appendix 5	Time and Charge out summary
Appendix 6	Creditor's Guide to Liquidator's Fees

Liquidator's actions during the period

During the liquidation, I have realised the following Company assets:

Cash at Bank

The sum of £4747.21 has been received representing the credit balance on the Company's bank account following asset realisations prior to my appointment.

Equipment

A valuation of the Company's nursery equipment was provided by an independent agent with an ex-situ value of £200-£300 and £400-£500 on an in-situ basis. The sum of £500 was received following a sale by private Treaty.

Debtors

At the date of liquidation, there were debts due to the Company with a book value of £465. It has been possible to recover.

Bank Interest

A nominal amount of bank interest has been received on the funds held.

Unrealisable assets

No assets have proved to be unrealisable to date.

Case progress

During the period of appointment, the Liquidator has achieved the following:

Realised the Company's scheduled assets mainly comprising of Cash at Bank, Equipment & Debtors and also carried out a detailed investigation into the Company's affairs.

Payments to Creditors

Secured creditors

The Company did not have any Secured Creditors.

Preferential creditors

Estimated Preferential claims from former employees totalled £8107.00 in respect of outstanding wages and holiday pay. However, a claim has not yet been received from the Redundancy Payments Office.

There have been insufficient funds to make a payment to preferential creditors in this matter.

It is not anticipated that there shall be sufficient realisations to enable a distributions to the preferential creditors in this matter.

Unsecured creditors

The Statement of Affairs estimated unsecured creditor claims of £88165. Claims totalling £55874.46 were received.

There have been insufficient funds to make a payment to unsecured creditors in this matter.

It is not anticipated that there shall be sufficient realisations to enable a distribution to be made to the unsecured creditors in this matter.

Unproved creditors

Creditors that have not yet claimed are encouraged to do so.

It is not my policy to routinely chase creditors that have not proved, unless there is likely to be a dividend.

Distributions to Members

There have been insufficient funds to make a payment to the members in this matter.

It is not anticipated that there shall be sufficient realisations to enable a distribution to the members in this matter.

Small claim scheme

From April 2016, I have had the discretion to admit claims from creditors under £1,000 without receiving a proof of debt.

I can confirm that no claims have been admitted under the small claims provisions.

Distribution prospects

According to the respective Insolvency Rules I can confirm that as a consequence of the monies available in the Company's estate, there shall be no distribution to creditors in this matter.

Liquidation costs

Unless stated otherwise, the basis of the Liquidator's remuneration was considered and approved by (creditors) on 8th April 2016.

Pre Appointment Costs

My fee in relation to assistance provided with the preparation of the director's Statement of Affairs and placing the Company in liquidation, was fixed at £3500 plus VAT and disbursements. This fee has been paid in full from the assets realised as detailed.

I can confirm that a payment of £1000 plus VAT was made to Smith Butler, Chartered Certified Accountant for their assistance in preparing the Statement of Affairs, or in regard to the liquidation generally.

Liquidators' Remuneration

Numerous activities have been undertaken by ourselves and our staff in dealing with the liquidation. A number of tasks are generic to every liquidation and a summarised list of these activities is attached in the Appendices for your information.

Details of my remuneration are set out below. You may also find it useful to read "A guide to Liquidators' fees" a copy of which is set out in the Appendices.

In accordance with the Insolvency (Amendment) Rules 2015 I provided Creditors with my fee estimate on the 4th May 2016. My fee estimate for this particular case is £14800 plus VAT and is based upon my experience of similar matters and the probable time that will be incurred by the Liquidator and his staff.

The Liquidator's fee estimate was approved by the Company's Creditors. My remuneration may be drawn when funds are available, or at the completion of my administration.

With regard to the Liquidator's Remuneration, I can advise you that during the course of my administration members of this firm have incurred 52 hours 0 minutes time costs, which is categorised on the attached schedule at Appendix 2. The total average hourly charge-out rate equates to approximately £214.73, therefore the Liquidator's Remuneration amounts to £11166.00 plus VAT. To date I have not drawn any remuneration. It would appear that I will not exceed my Fee estimate. A Creditors Guide to Insolvency Practitioners Fees in Liquidation is enclosed for your information.

I can confirm that due to insufficient realisations, no post appointment fee has drawn to date.

Future Remuneration

It is anticipated that future fees shall accrue during the course of the liquidation as follows:

As asset realisation and investigations are now complete, I anticipate concluding my Administration within the next 2-3 months with an anticipated additional fee of approximately £1000.

The creditors decided that fees be drawn on a time costs basis to a limit of £14800, plus VAT and disbursements.

Due to insufficient realisations, it will not be possible to draw any Remuneration.

Disbursements

A detailed explanation of category 1 and category 2 disbursements, together with the approved rates for category 2 disbursements, is set out in the Appendices.

Category 1 disbursements are those that are directly attributable to a third-party invoice. The category 1 disbursements incurred and paid are set out in the table below.

Category 2 disbursements are those that are based upon an estimate or an internally set rate in accordance with the schedule previously provided.

Our category 2 disbursements totalling £X have been paid in full. No charge has been made for category 2 disbursements.

Professional Advisors

The following advisors have been engaged by us during the course of the liquidation to provide the appropriate assistance.

<i>Firm</i>	<i>Description of assignment</i>	<i>Fee basis</i>
Michael Steel & Co	Valuation of nursery equipment	Agreed Fee £500 + VAT

The use of professional advisors was necessary as either the task required a specialised skill set, or it was economical to engage a third party. Advisors were chosen based upon their experience and abilities suitable for nature of the assignment.

Creditors' further information

If you require any further information with regard to any aspect of this report, or my fees and expenses, please do not hesitate to contact me and I shall do my best to assist you.

Any request must be made in writing within 21 days of receipt of the report (or 7 business days where the report has been prepared for the purposes of a meeting to receive my resignation).

- the time and cost involved in preparing the information would be excessive;
- disclosure would be prejudicial to the conduct of the liquidation, or might be expected to lead to violence against any person, or
- I am subject to an obligation of confidentiality in relation to the information requested, in which case I must give the reasons for not providing the information.
- an application granting permission by the court; or
- by any secured creditor, or by any unsecured creditor provided at least 10% in value of unsecured creditors agree, (or they have the permission of the court).

Any such application to court must be made within 8 weeks of the applicant receiving the progress report in which the charging of the remuneration or incurring of the expenses in question is first reported.

If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give me a copy of the application and supporting evidence at least 14 days before the hearing.

Conclusion

The case is now in a position to be closed and notification of which will be issued within the next 2-3 months.

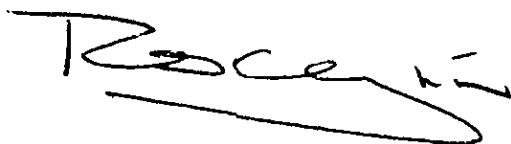
The Director of the Company, Miss. S. J. Channon, gave this firm an undertaking to discharge the fees and expenses we incur in the event the asset realisable was insufficient to settle the costs in full, which include the following:-

Preparation of the Company's Statement of Affairs and Report for presentation at the Meeting of Creditors held on Friday 8th April 2016. In accordance with a Resolution passed at this meeting, the Statement of Affairs Fee was agreed in the sum of £3,500 plus VAT, Liquidator's Remuneration at Appendix 5.

Gazetting Charges and Company Searches

The undertaking was restricted to £5000 plus VAT and Disbursements and the balance of this sum has been requested from Miss Channon.

R. S. Cloughton
Liquidator



7th June 2017

Company Details

Company Name:	Bonbons Nurseries Limited
Previous Name:	N/A
Company Number:	09226808
Date of Incorporation:	19 th September 2014
Principal Trading Activity:	Childrens Nursery
Trading Address:	Peel House, Taunton Street, Shipley, West Yorkshire, BD17 7DB
Current Registered Office:	3 Merchant's Quay, Ashley Lane, Shipley, West Yorkshire, BD17 7DB
Former Registered Office:	Peel House, Taunton Street, Shipley, West Yorkshire, BD18 3NA

Appointment Details

Liquidator:	Raymond Stuart Claughton
Address:	3 Merchant's Quay, Ashley Lane, Shipley, West Yorkshire, BD17 7DB
Date of Appointment:	8 th April 2016
Appointment made by:	Creditors & Contributions
Actions of Liquidator:	Any act required or authorised under any enactment to be done by a Liquidator may be done by acting alone
Former Liquidator:	N/A

THE INSOLVENCY ACT 1986
 BONBONS NURSERIES LIMITED ("THE COMPANY")
 IN VOLUNTARY LIQUIDATION

Estimated to
realise per
Statement of
Affairs

From: 08/04/2016
To: 07/04/2017

From: 08/04/2016
To: 07/04/2017

ASSETS NOT PLEDGED

500	Equipment	500.00	500.00
4,747	Cash at Bank/In Hand	4,747.21	4,747.21
465	Debtors	150.00	150.00
Nil	Bank Interest	0.41	0.41
5,712		5,397.62	5,397.62
=====			

COST OF REALISATIONS

Statement of Affairs Fee	3,500.00	
Gazetting Charges	233.00	233.00
Officeholders Bond	40.00	40.00
Agents Charges	500.00	500.00
Unrecoverable VAT	846.60	846.60
	(5,119.60)	(5,119.60)
	278.02	278.02
	=====	=====

BALANCE IN HAND REPRESENTED BY:

Cash at Bank	278.02
	=====

Summary of Liquidators' Activities

There are a number of activities that are generic to every Creditors' Voluntary Liquidation and a summarised list of these activities is detailed below.

Staff of different levels were involved in these activities dependent upon the level of experience required in order to keep costs to an appropriate level.

Administration

- Filing the relevant notices upon appointment
- Circulating notices to creditors, members, employees and other stakeholders advising of the appointment
- Regular case reviews
- Reviewing the circumstances of the case to determine the appropriate strategy

Realisation of assets

- Instruction of, and correspondence with, agents and lawyers with regarding to the valuation and disposal of assets
- Safeguarding assets
- Uplifting of company documents
- Obtaining adequate insurance
- Liaising with, and providing information to, potential purchasers of assets
- *Registering relevant notices with Land Registry as appropriate*
- Dealing with outstanding pre-appointment HMRC returns

Creditors

- Maintaining a list of creditors claims
- Dealing with Retention of Title claims
- Advertising for claims
- Agreement of claims

Cashiering

- Opening an appropriate bank account
- Obtaining a specific bond
- Monthly bank statement reconciliations
- Dealing with receipts into the account
- Dealing with payments out of the account
- Post appointment Corporation Tax returns
- Post appointment VAT returns

Future costs

Category 1 and 2 Disbursements

Disbursements are categorised as either Category 1 or Category 2.

Category 1

Category 1 disbursements are clearly identifiable third party costs that are directly attributable to the case. Occasionally these disbursements are paid by Rushtons Insolvency Limited and then recharged to the case, usually when there are insufficient funds within the case to pay the disbursement at the time it falls due. Specific approval from creditors is not required for Category 1 disbursements.

Typical examples of Category 1 disbursements are:

- Postage
- Advertising
- Insurance
- Travel costs
- External room hire
- Document storage

Category 2

Category 2 disbursements are estimated or shared costs which may include some internal recharges from Rushtons Insolvency Limited. It is likely that it is not possible, or too costly, to calculate the exact cost and an estimate is therefore used. These disbursements can be paid from the case if the basis of the charge has been approved by creditors.

Typical examples of Category 2 disbursements are:

- Photocopying
- Internal room hire
- Stationery

The current levels of Category 2 disbursements recovered by Rushtons Insolvency Limited are as follows: Nil

CASE NAME: BONBONS NURSERIES LIMITED – IN VOLUNTARY LIQUIDATION
TIME AND CHARGE OUT SUMMARY FOR THE PERIOD FROM 8TH APRIL 2016 TO 7TH APRIL 2017

Hours (h) Minutes (m)

Classification of Work	Director	Manager	Administrator and Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration and planning	14h 48m	10h 42m	1h 6m	26h 36m	5608.00	210.83
Realisation of assets	1h 48m			1h 48m	432.00	240.00
Trading						
Investigations	8h			8h	1920.00	240.00
Creditors	7h 30m	8h 6m		15h 36m	3206.00	205.51
Reporting to Creditors						
Unanalysed Time						
Total Hours	32h 6m	18h 48m	1h 6m	52h	11166.00	214.73

I am required to provide a breakdown of my time costs by activity and grade of staff under guidelines as a result of revision of Statement of Insolvency Practice 9.

In accordance with the Insolvency (Amendment) Rules 2015, I provided Creditors with my fee estimate on the 20th November 2015. My fee estimate for this particular case is £22,750 plus VAT and is based upon my experience of similar matters and the probable time that will be incurred by the Liquidator and his staff.

The Liquidator's fee estimate was approved by the Company's Creditors. My remuneration may be drawn when funds are available, or at the completion of my administration.

Rushtons Insolvency Limited hourly charge out rates with effect from 6th April 2014 are as follows:-

Director £200-£280

Manager £180

Support Staff £100

A CREDITORS' GUIDE TO LIQUIDATORS' FEES ENGLAND AND WALES

1 Introduction

1.1 When a company goes into liquidation the costs of the proceedings are paid out of its assets. The creditors, who hope to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as liquidator. The insolvency legislation recognises this interest by providing mechanisms for creditors to fix the basis of the liquidator's fees. This guide is intended to help creditors be aware of their rights to approve and monitor fees, explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the liquidator and challenge those they consider to be excessive.

2 Liquidation procedure

2.1 Liquidation (or 'winding up') is the most common type of corporate insolvency procedure. Liquidation is the formal winding up of a company's affairs entailing the realisation of its assets and the distribution of the proceeds in a prescribed order of priority. Liquidation may be either voluntary, when it is instituted by resolution of the shareholders, or compulsory, when it is instituted by order of the court.

2.2 Voluntary liquidation is the more common of the two. An insolvent voluntary liquidation is called a creditors' voluntary liquidation (often abbreviated to 'CVL'). In this type of liquidation an insolvency practitioner acts as liquidator throughout and the creditors can vote on the appointment of the liquidator at the first meeting of creditors.

2.3 In a compulsory liquidation on the other hand, the function of liquidator is, in most cases, initially performed not by an insolvency practitioner but by an official called the official receiver. The official receiver is an officer of the court and an official belonging to The Insolvency Service. In most compulsory liquidations, the official receiver becomes liquidator immediately on the making of the winding-up order. Where there are significant assets an insolvency practitioner will usually be appointed to act as liquidator in place of the official receiver, either at a meeting of creditors convened for the purpose or directly by The Insolvency Service on behalf of the Secretary of State. Where an insolvency practitioner is not appointed the official receiver remains liquidator.

2.4 Where a compulsory liquidation follows immediately on an administration the court may appoint the former administrator to act as liquidator. In such cases the official receiver does not become liquidator. An administrator may also subsequently act as liquidator in a CVL.

3 The liquidation committee

3.1 In a liquidation (whether voluntary or compulsory) the creditors have the right to appoint a committee called the liquidation committee, with a minimum of 3 and a maximum of 5 members, to monitor the conduct of the liquidation and approve the liquidator's fees. The committee is usually established at the creditors' meeting which appoints the liquidator, but in cases where a liquidation follows immediately on an administration any committee established for the purposes of the administration will continue in being as the liquidation committee.

3.2 The liquidator must call the first meeting of the committee within 6 weeks of its establishment (or his/her appointment if that is later), and subsequent meetings must be held either at specified dates agreed by the committee, or when requested by a member of the committee, or when the liquidator decides he/she needs to hold one. The liquidator is required to report to the committee at least every 6 months on the progress of the liquidation, unless the committee directs otherwise. This provides an opportunity for the committee to monitor and discuss the progress of the insolvency

and the level of the liquidator's fees.

4 Fixing the liquidator's remuneration

4.1 The basis for fixing the liquidator's remuneration is set out in Rules 4.127 – 4.127B of the Insolvency Rules 1986. The Rules state that the remuneration shall be fixed

- as a percentage of the value of the assets which are realised or distributed or both,
- by reference to the time properly given by the liquidator and his/her 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. It is for the liquidation committee (if there is one) to determine on which of these bases, or combination of bases, the remuneration is to be fixed. Where it is fixed as a percentage, it is for the committee to determine the percentage or percentages to be applied. Rule 4.127 says that in arriving at its decision the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the liquidator in connection with the insolvency;
- the effectiveness with which the liquidator appears to be carrying out, or to have carried out, his duties;
- the value and nature of the assets which the liquidator has to deal with.

4.2 If there is no liquidation committee, or the committee does not make the requisite determination, the liquidator's remuneration may be fixed by a resolution of a meeting of creditors. The creditors take account of the same matters as apply in the case of the committee. A resolution specifying the terms on which the liquidator is to be remunerated may be taken at the meeting which appoints the liquidator.

4.3 If the remuneration is not fixed as above, it will be fixed in one of the following ways. In a CVL, it will be fixed by the court on application by the liquidator, but the liquidator may not make such an application unless he/she has first tried to get his/her remuneration fixed by the committee or creditors as described above, and in any case not later than 18 months after his/her appointment. In a compulsory liquidation, it will be in accordance with a scale set out in the Rules.

4.4 Where the liquidation follows directly on from an administration in which the liquidator had acted as administrator, the basis of remuneration fixed in the administration continues to apply in the liquidation (subject to paragraph 8 below).

5. Review of remuneration

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

6 What information should be provided by the liquidator?

6.1 When fixing bases of remuneration

6.1.1 When seeking agreement for the basis or bases of remuneration, the liquidator should provide sufficient supporting information to enable the committee or the

creditors to make an informed judgement as to whether the basis sought is appropriate having regard to all the circumstances of the case. The nature and extent of the information provided will depend on the stage during the conduct of the case at which approval is being sought. The appendix to this guide sets out a suggested format for the provision of information.

6.1.2 If any part of the remuneration is sought on a time costs basis, the liquidator should provide details of the minimum time units used and current charge-out rates, split by grades of staff, of those people who have been or who are likely to be involved in the time costs aspects of the case.

6.1.3 The liquidator should also provide details and the cost of any work that has been or is intended to be sub-contracted out that could otherwise be carried out by the liquidator or his/her or her staff.

6.1.4 If work has already been carried out, the liquidator should state the proposed charge for the period to date and provide an explanation of what has been achieved in the period and how it was achieved, sufficient to enable the progress of the case to be assessed and whether the proposed charge is reasonable in the circumstances of the case. Where the proposed charge is calculated on a time costs basis, the liquidator should disclose the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. The liquidator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the liquidator or his or her staff.

6.2 After the bases of remuneration have been fixed

The liquidator is required to send progress reports to creditors at specified intervals (see paragraph 7.1 below). When reporting periodically to creditors, in addition to the matters specified in paragraph 71, the liquidator should provide an explanation of what has been achieved in the period under review and how it was achieved, sufficient to enable the progress of the case to be assessed. Creditors should be able to understand whether the remuneration charged is reasonable in the circumstances of the case (whilst recognising that the liquidator must fulfil certain statutory obligations and regulatory requirements that might be perceived as bringing no added value for the estate). Where any remuneration is on a time costs basis, the liquidator should disclose the charge in respect of the period, the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. If there have been any changes to the charge-out rates during the period under review, rates should be disclosed by grades of staff, split by the periods applicable. The liquidator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the liquidator or his or her staff.

6.3 Disbursements and other expenses

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

- Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the liquidation and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the liquidator or his or her staff.
- Category 2 disbursements: These are costs that are directly referable to the liquidation but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the liquidation on a proper and reasonable basis, for example, business mileage.

Category 1 disbursements can be drawn without prior approval, although the liquidator should be prepared to disclose information about them in the same way as any other expenses. Category 2 disbursements may be drawn if they have been approved in the same manner as the liquidator's remuneration. When seeking approval, the liquidator should explain, for each category of expense, the basis on which the charge is being made.

6.3.2 The following are not permissible:

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

6.4 Realisations for secured creditors

Where the liquidator realises an asset on behalf of a secured creditor and receives remuneration out of the proceeds (see paragraph 11.1 below), he/she should disclose the amount of that remuneration to the committee (if there is one), to any meeting of creditors convened for the purpose of determining his/her fees, and in any reports he/she sends to creditors.

7. Progress reports and requests for further information

7.1 The liquidator is required to send annual progress reports to creditors. The reports must include:

- details of the basis fixed for the remuneration of the liquidator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it);
- if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report);
- if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done during those periods, irrespective of whether payment was actually made during the period of the report;
- a statement of the expenses incurred by the liquidator during the period of the report, irrespective of whether payment was actually made during that period;
- a statement of the creditors' rights to request further information, as explained in paragraph 7.2, and their right to challenge the liquidator's remuneration and expenses.

7.2 Within 21 days of receipt of a progress report (or 7 business days where the report has been prepared for the purposes of a meeting to receive the liquidator's resignation) a creditor may request the liquidator to provide further information about the remuneration and expenses set out in the report. A request must be in writing, and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court.

7.3 The liquidator must provide the requested information within 14 days, unless he considers that:

- the time and cost involved in preparing the information would be excessive, or
- disclosure would be prejudicial to the conduct of the liquidation or might be expected to lead to violence against any person, or
- the liquidator is subject to an obligation of confidentiality in relation to the information requested,

in which case, he must give the reasons for not providing the information. Any creditor may apply to the court within 21 days of the liquidator's refusal to provide the requested information, or the expiry of the 14 days' time limit for the provision of the information.

8. Provision of information – additional requirements

The liquidator must provide certain information about the time spent on the case, free of charge, upon request by any creditor, director or shareholder of the company. The information which must be provided is –

- the total number of hours spent on the case by the liquidator or staff assigned to the case;
- for each grade of staff, the average hourly rate at which they are charged out;
- the number of hours spent by each grade of staff in the relevant period.

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the liquidator's appointment, or where he/she has vacated office, the date that he/she vacated office.

The information must be provided within 28 days of receipt of the request by the liquidator, and requests must be made within two years from vacation of office.

9 What if a creditor is dissatisfied?

9.1 Except in cases where there is a liquidation committee it is the creditors as a body who have authority to approve the liquidator's fees. To enable them to carry out this function they may require the liquidator to call a creditors' meeting. In order to do this at least ten per cent in value of the creditors must concur with the request, which must be made to the liquidator in writing

9.2 If a creditor believes that the liquidator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the liquidator are in all the circumstances excessive he may, provided certain conditions are met, apply to the court.

9.3 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the liquidator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 7.1 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.

9.4 If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not out of the assets of the insolvent company.

10. What if the liquidator is dissatisfied?

If the liquidator considers that the remuneration fixed by the liquidation committee, or in the preceding administration, is insufficient or that the basis used to fix it is inappropriate he may request that the amount or rate be increased, or the basis changed, by resolution of the creditors. If he considers that the remuneration fixed by the liquidation committee, the creditors, in the preceding administration or in accordance with the statutory scale is insufficient, or that the basis used to fix it is inappropriate, he may apply to the court for the amount or rate to be increased or the

basis changed. If he decides to apply to the court he must give at least 14 days' notice to the members of the committee and the committee may nominate one or more of its members to appear or be represented at the court hearing. If there is no committee, the liquidator's notice of his application must be sent to such of the creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid out of the assets.

11 Other matters relating to remuneration

11.1 Where the liquidator realises assets on behalf of a secured creditor he is entitled to be remunerated out of the proceeds of sale in accordance with a scale set out in the Rules. Usually, however, the liquidator will agree the basis of his fee for dealing with charged assets with the secured creditor concerned.

11.2 Where two (or more) joint liquidators are appointed it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute between them may be referred to the court, the committee or a meeting of creditors.

11.3 If the appointed liquidator is a solicitor and employs his own firm to act in the insolvency, profit costs may not be paid unless authorised by the committee, the creditors or the court.

11.4 If a new liquidator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new liquidator until a further determination, resolution or court order is made.

11.5 Where the basis of the remuneration is a set amount, and the liquidator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing liquidator. The application must be made to the same body as approved the remuneration. Where the outgoing liquidator and the incoming liquidator are from the same firm, they will usually agree the apportionment between them.

11.6 There may also be occasions when creditors will agree to make funds available themselves to pay for the liquidator to carry out tasks which cannot be paid for out of the assets, either because they are deficient or because it is uncertain whether the work undertaken will result in any benefit to creditors. Arrangements of this kind are sometimes made to fund litigation or investigations into the affairs of the insolvent company. Any arrangements of this nature will be a matter for agreement between the liquidator and the creditors concerned and will not be subject to the statutory rules relating to remuneration.

12. Effective date

This guide applies where a company goes into liquidation on or after 1 November 2011.

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 creditors) 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 creditors, 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.