

**Return of Final Meeting in a
Creditors' Voluntary Winding Up****Pursuant to Section 106 of the
Insolvency Act 1986**

To the Registrar of Companies

S.106

Company Number

02554176

Name of Company

Flair Builders Limited

I/We S B Ryman
10 Orange Street
Haymarket
London
WC2H 7DQ

Anthony Davidson
10 Orange Street
Haymarket
London
WC2H 7DQ

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

1 give notice that a general meeting of the company was duly ~~held on~~/summoned for 15 February 2013 pursuant to section 106 of the Insolvency Act 1986, for the purpose of having an account (of which a copy is attached) laid before it showing how the winding up of the company has been disposed of, and that ~~the same was done accordingly~~ no quorum was present at the meeting,

2 give notice that a meeting of the creditors of the company was duly ~~held on~~/summoned for 15 February 2013 pursuant to Section 106 of the Insolvency Act 1986, for the purpose of having the said account laid before it showing how the winding up the company has been conducted and the property of the company has been disposed of and that ~~the same was done accordingly~~ no quorum was present at the meeting

The meeting was held at 10 Orange Street, Haymarket, London, WC2H 7DQ

The winding up covers the period from 9 February 2011 (opening of winding up) to the final meeting (close of winding up)

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

- 1 The chairman having waited 15 minutes and no creditors or proxy holder having attended, per Rule 12 4(A) of the Insolvency Rules 1986, noted that the meeting had been duly held under Section 106 of the Insolvency Act 1986, with a report issued to all known creditors
- 2 There being no further business, the meetings duly closed

Signed

Date 19 February 2013

Shipleys LLP
10 Orange Street
Haymarket
London
WC2H 7DQ

Ref 51363/SBR/AD/NSKB/DB

FRIDAY



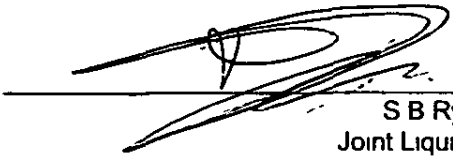
A31 22/02/2013 #35
COMPANIES HOUSE

Flair Builders Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments
From 9 February 2011 To 15 February 2013

S of A £		£	£
	ASSET REALISATIONS		
12,972 54	Book Debts	3,381 71	
21,713 97	Transfer from Administration	21,713 97	
	Bank Interest Gross	52 49	
			25,148 17
	COST OF REALISATIONS		
	Office Holders Fees	5,505 82	
	Office Holders Expenses	404 12	
	Pension Costs	399 00	
	Bank Charges	25 00	
	DTI Unclaimed Dividends	8 03	
			(6,341 97)
	PREFERENTIAL CREDITORS		
	DE Arrears & Holiday Pay	6,368 80	
			(6,368 80)
	FLOATING CHARGE CREDITORS		
(5,253 26)	Allied Irish Bank	NIL	
			NIL
	UNSECURED CREDITORS		
	Trade & Expense Creditors	12,437 40	
			(12,437 40)
29,433.25			0.00

REPRESENTED BY

NIL


S B Ryman
Joint Liquidator

Flair Builders Limited - In Creditors' Voluntary Liquidation ("the Company")
Registered Office: 10 Orange Street, Haymarket, London, WC2H 7DQ
Registered number: 02554176
Joint Liquidators: Stephen Ryman & Anthony Davidson
Joint Liquidators' Address: 10 Orange Street, Haymarket, London, WC2H 7DQ
Date of Appointment: 9 February 2011
Period of Report: 9 February 2012 to 15 February 2013 and the entire period

Replacement of Liquidators

I give notice that with effect from 24 July 2012 Anthony Davidson and I have been appointed Joint Liquidators in place of the previous Joint Liquidators Conrad Beighton and Robert Smales. The appointments were made in accordance with an Order of Court dated 24 July 2012 made in the High Court of Justice, a copy of which can be viewed at the following weblink,

<http://www.shipleys.com/cr/block-transfer-court-order>

I am now in a position to conclude this Liquidation provide here my final report issued in accordance with Section 106 of the Insolvency Act 1986

SUMMARY ACCOUNT

I enclose a copy of the final receipts and payments account to 15 February 2013

RECEIPTS

In respect of the receipts I would like to comment specifically on the following

Transfer from Administration

I advise that the Company entered Administration on 3 February 2010 with Mr C Beighton and Mr R Smales appointed Joint Administrators. The Company exited administration by way of Creditors' Voluntary Liquidation on 9 February 2011, the net effect of which was the transfer of £21,713.97 to the Liquidation. As can be seen from the attached receipts and payments account this sum has been received in full

Book Debts

I advise that upon the Company moving from Administration to Liquidation there remained the sum of £12,972.54 outstanding from company debtors. As can be seen from the attached receipts and payments account the sum of £3,381.71 has been collected in respect of book debts of which £47.68 has been collected since my last Annual Progress Report ("APR"). There remained one book debt in the sum of £9,590.83 which, as mentioned in my previous APR, has been pursued since the Company entered Liquidation. The debtor was adamant that the sums were not due and that due to the defective work by the Company, the debtor in fact had a claim in the Liquidation as they had to pay another building firm to complete and repair the works started by the Company. In light of this the final book debt was not recoverable.

Bank Interest

I advise that all funds received in to the Liquidation are deposited in a high street bank account, which accrues interest. Since my previous report I have received the sum of £11.03

and since the date of Liquidation the sum of £52 49 has been received in respect of bank interest

PAYMENTS

The payments on my receipts and payments account show the expenses paid in the Liquidation and I would comment specifically on the following

Pension Costs

I advise that Alexander Forbes Trustee Limited have been paid the sum of £399 for their assistance in the adjudication and submission of the claim for the Company's pension scheme to the Redundancy Payments Office

Bank Charges

I advise that The Insolvency Service had been paid the sum of £25, which is the fee levied by them for depositing unclaimed dividend payments into the Insolvency Service Account unclaimed dividend account

LIABILITIES

Secured Creditors

Amounts paid to debenture holders are summarised below

Holder	Date of Debenture	Value of Debenture £	Amount Paid £
Allied Irish Bank Group (UK) Plc ("AIB")	07/11/2007	5,253 26	0.00
TOTAL		5,253.26	0.00

I advise that the Company granted AIB a fixed and floating charge on 7 November 2007, which was registered at Companies House 27 November 2007. I advise that due to the paucity of funds in the Liquidation it has not been possible to make a distribution to AIB.

Preferential Creditors

Details of the preferential creditors who have claimed in the Liquidation and the amounts paid to them are summarised below

Numbers of Preferential Claims	Total value of claims £	Total dividend paid £	Dividend rate £
Redundancy Payments Office	6,368 80	6,368 80	100p in the £
TOTAL	6,368.80	6,368.80	100p in the £

I advise that on 1 September 2011 a first and final dividend totalling £6,368 80 was paid to the preferential creditors, representing a distribution of 100p in the £

Unsecured Creditors

Details of the unsecured creditors who have claimed in the Liquidation and the amounts paid to them by way of an unsecured dividend is summarised below

Numbers of Unsecured Claims	Total value of claims £	Total dividend paid £	Dividend rate £
HM Revenue & Customs (PAYE & NIC)	39,724 79	1,541 40	3 88p in the £
Redundancy Payments Office	39,312 34	1,525 39	3 88p in the £
Trade & Expense Creditors	341,706 86	9,378 64	3 88p in the £
Total	320,743.99	12,445.43	3.88p in the £

I advise that on 2 February 2012 a first and final dividend totalling £12,445 43 was paid to the unsecured creditors, representing a distribution of 3 88p in the £ on claims totalling £320,743 99

Contributories

Amounts paid to contributories are summarised below

Class of Share	Nominal value of 1 share £	Number of shares issued	Total dividend paid £	Dividend rate £
Ordinary	£1	2	0.00	N/A

I advise that due to the paucity of funds in the Liquidation it has not been possible to make a distribution to the contributories of the Company.

Unclaimed Dividends

I advise that I have paid the sum of £8 03 to the Insolvency Service unclaimed dividend account, which represents 1 returned unclaimed dividend payment

PRESCRIBED PART

Under the provisions of Section 176A of the Insolvency Act 1986 the Liquidators must report on the amount of funds distributed to unsecured creditors in respect of the prescribed part. This provision only applies where the Company has granted a floating charge to a creditor after 15 September 2003 and where it is estimated that the Company will have, after discharging the costs of the Administration and preferential creditors claims, net property exceeding £10,000

In this particular case the value of the Company's net property, after payment of preferential claims was £43,241 65 and this meant that the prescribed part was £12,648 33 and after allowing for costs of the distribution the amount of £12,298 33 was paid to 30 unsecured creditors who claimed in the Liquidation as detailed above in the unsecured creditors section of this report

INVESTIGATIONS

In accordance with the Company Directors Disqualification Act 1986, I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills (BIS). As this is a confidential report, I am unable to disclose the contents.

JOINT LIQUIDATORS' REMUNERATION & DISBURSEMENTS

At a meeting of creditors held on 17 November 2011 it was resolved that the Joint Liquidators' remuneration be payable by reference to time properly given by him and his staff in attending to matters arising in the Liquidation.

Time costs incurred for the whole of the Liquidation are summarised below.

	Hours No.	Rate / hour £	Total value of time £
Time recorded from 09/02/2012 to 15/02/2013	19 06	136 27	2,597 29
Total Liquidators' time costs	74 51	161 92	12,065 00

I attach schedules of my time costs which provide details of the activity costs incurred by staff grade for the whole period of the Liquidation to date and also for the period since my last Progress Report.

Total Liquidation fees drawn at the date of this report amount to £5,505 82.

For information purposes, I enclose "A Creditors' Guide to Liquidators' Fees", together with a document that outlines the policy of Shipleys LLP in respect of fees and disbursements. Since the approval of my remuneration on 17 November 2011, please note that the charge out rates of myself and my staff have changed. I would draw the attention of creditors to the historic charge out rate information contained in the policy document attached for further details.

DISBURSEMENTS

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These expenses are known as category 1 disbursements and are detailed in the table below, which also indicates whether they have yet been paid from case funds.

Disbursement	Amount incurred this period £	Total amount incurred to date £	Amount reimbursed £	Amount still to be reimbursed £
Advertising	76 50	228 60	228 60	0 00
Insurance	20 00	20 00	20 00	0 00
Postage	23 20	68 77	68 77	0 00
TOTAL	119.70	317.37	317.37	0.00

Liquidators often charge expenses for example photocopying and facsimile charges, mileage and internal room hire. Such expenses, which are attributable to cases, require the approval of the creditors before they can be drawn and these are known as category 2 disbursements. Creditors previously approved the payment of category 2 disbursements on 17 November 2011. The following costs have been incurred and where indicated reimbursed to my firm.

Disbursement	Amount incurred this period £	Total amount incurred to date £	Amount reimbursed £	Amount still to be reimbursed £
Photocopying	14.00	56.75	56.75	0.00
Storage	0.00	30.00	30.00	0.00
TOTAL	14.00	86.75	86.75	0.00

PROFESSIONAL ADVISORS

The professional advisors used on this assignment are as follows:

Name	Nature of Work	Basis of Fee Arrangement
Alexander Forbes Trustee Limited	Pension claim adjudication	Time cost basis

The Liquidators' choice was based on their perception of the advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them.

The Liquidators have reviewed the fees incurred to date and are satisfied that they are reasonable in the circumstances of the case.


Dated 15 February 2013



Stephen Ryman
 Joint Liquidator

Flair Builders Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 09/02/2012 To 15/02/2013	From 09/02/2011 To 15/02/2013
	ASSET REALISATIONS		
12,972 54	Book Debts	47 68	3,381 71
21,713 97	Transfer from Administration	NIL	21,713 97
	Bank Interest Gross	11 03	52 49
		<u>58 71</u>	<u>25,148 17</u>
	COST OF REALISATIONS		
	Office Holders Fees	5,505 82	5,505 82
	Office Holders Expenses	404 12	404 12
	Pension Costs	NIL	399 00
	Bank Charges	25 00	25 00
	DTI Unclaimed Dividends	8 03	8 03
		<u>(5,942 97)</u>	<u>(6,341 97)</u>
	PREFERENTIAL CREDITORS		
	DE Arrears & Holiday Pay	NIL	6,368 80
		<u>NIL</u>	<u>(6,368 80)</u>
	FLOATING CHARGE CREDITORS		
(5,253 26)	Allied Irish Bank	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
	Trade & Expense Creditors	1,360 45	12,437 40
		<u>(1,360 45)</u>	<u>(12,437 40)</u>
<u>29,433.25</u>		<u><u>(7,244.71)</u></u>	<u><u>0.00</u></u>
	REPRESENTED BY		
			<u><u>NIL</u></u>


 S B Ryman
 Joint Liquidator

Case - Flair Builders Limited

Liquidators' time costs for the period of

09/02/2012 to 15/02/2013

SCHEDULE 1

	Partner		Manager		Assistant Manager		Senior Administrator		Administrator		Assistant		Total	
	Time	Cost	Time	Cost	Time	Cost	Time	Cost	Time	Cost	Time	Cost	Time	Cost
Administration and Planning	0.40	£138.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	2.75	£334.25	0.00	£0.00	3.15	£472.25
	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
	0.09	£31.05	0.10	£25.40	0.00	£0.00	1.00	£178.75	0.60	£55.80	5.42	£540.24	7.21	£831.24
	1.10	£363.00	0.00	£0.00	0.00	£0.00	1.00	£114.00	3.00	£375.00	0.10	£4.30	5.20	£856.30
Realisation of Assets	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
Creditors	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.50	£62.50	0.00	£0.00	0.50	£62.50
	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
Investigations	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
Trading	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
Tax	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
Average hourly charge out rate		£334.62	1.59	£532.05	0.10	£254.00	2.00	£146.38	9.85	£1,202.55	5.52	£544.54	986.65	

Total Hours 19.06
Total Cost £2,897.29
Average £ 136.27

Shipleys LLP
10 Orange Street, Haymarket, London WC2H 7DQ

CREDITORS' GUIDE TO FEES
EFFECTIVE FROM 1 AUGUST 2012
CHARGE-OUT RATES

Staff Allocation and Support Staff

An objective and practical approach is taken to each case which includes active Principal involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Set out below are the relevant charge-out rates per hour worked for the grades of all staff. Time is charged by reference to actual work carried out on each assignment. There has been no allocation of any general or overhead costs.

Grade	Charge-out rate (£ per hour) plus VAT where applicable
Principal*	400 - 480
Manager	230 - 325
Senior Administrator	210 - 230
Administrator	125 - 170
Assistant & Cashier	100 - 250

* or equivalent

NB Time costs are calculated at 6 minute units

The time of support staff is not charged to a case except when the initial set up is being performed and appointment documentation is prepared. Support staff will also occasionally charge their time when performing a sizeable administrative task within the case. Support staff charge their time at the £100/hr Assistant rate shown on the preceding table.

Specialist departments within the firm such as Tax and VAT may sometimes charge their time if and when the Office Holders may require their expert advice. The figures below provide details of the charge-out rates per hour worked for typical staff involved in this way.

Grade	Charge-out rate (£ per hour) plus VAT where applicable
Tax Principal*	300-395
Tax Manager	250
Tax Practitioner	200
Tax Assistant	145

Details of historic charge out rates in respect of the London office are provided at the end of this guide. Should any creditor wish to receive details of the charge out rates for the London office in force prior to those shown, these can be provided upon request.

DISBURSEMENTS

Category 1 Disbursements

These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. Examples of equivalent costs that may be reimbursed to the office holders without uplift and do not require prior approval are given below.

Category	Basis of Charge
Indemnity Bond	At cost of mandatory cover required in accordance with the Insolvency Act 1986 for each appointment
Insurance of assets	At cost in relation to asset coverage requirements
Company searches	At cost incurred
Travel	All forms other than mileage at actual cost
Room Hire	All external venues at actual cost
Stationery	At cost incurred
Storage	Charge at actual cost incurred for storage (and retrieval, when appropriate) of records
Other	At actual cost charged

Category 2 Disbursements

These are costs that are directly referable to the appointment in question but not to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. In the event of charging for Category 2 disbursements the following items of expenditure are recharged on the basis specified.

Category	Basis of Charge
Business Mileage	Motor vehicle at 40p per mile
Internal Room Hire	Held at Shipleys LLP, 10 Orange Street, Haymarket, London WC2H 7DQ £50
Photocopying	Specific calculation of 25 pence per sheet x number of creditors
Facsimiles	£1 for 1 st page and 10 pence for each additional page

Subcontractors

Details and the cost of any work which has been or is intended to be sub-contracted out that could otherwise be carried out by the office holder or his staff will be provided in any report which incorporates a request for approval of the basis upon which remuneration may be charged.

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery or relevant disbursements. The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

LONDON OFFICE - HISTORIC CHARGE OUT RATES - 1 APRIL 2007 ONWARDS

	01/04/07-31/12/07	01/01/08-31/12/08	01/01/09-31/12/09	01/01/10-31/12/10	01/01/11-31/12/11	01/01/12-31/01/12
	Charge-out rate (£ per hour) plus VAT where applicable					
Principal*	360-370	375	395	395-445	410-460	460
Director	n/a	340	355	375-400	n/a	n/a
Manager	285-300	300	300	245-270	280	300-325
Assistant Manager	200-220	222	180-228	180-250	260	n/a
Senior Administrator	160-210	175-210	140-190	175-220	200-225	210-230
Administrator	110-155	127-165	100-165	75-155	85-160	125-170
Assistant & Cashier	50-95	50-100	50-215	50-240	99-245	100-245

	01/02/12-30/04/12	01/05/12-31/07/12		
	Charge-out rate (£ per hour) plus VAT where applicable			
Principal*	460	400-480		
Director	n/a	n/a		
Manager	300-325	300-325		
Assistant Manager	n/a	n/a		
Senior Administrator	210-230	210-230		
Administrator	125-170	125-170		
Assistant & Cashier	100-250	100-250		

* or equivalent

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 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 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 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 has first tried to get his remuneration fixed by the committee or creditors as described above, and in any case not later than 18 months after his 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 seeking remuneration approval

6 1 1 When seeking agreement to his fees the liquidator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on

- the nature of the approval being sought,
- the stage during the administration of the case at which it is being sought, and

- the size and complexity of the case

6 1 2 Where, at any creditors' or committee meeting, the liquidator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case

6 1 3 Where the liquidator seeks agreement to his fees during the course of the liquidation, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the liquidator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the liquidator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the liquidator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4 1 above. To enable this assessment to be carried out it may be necessary for the liquidator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity 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 explanation of what has been done can be expected to include an outline of the nature of the assignment and the liquidator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain

- Any significant aspects of the case, particularly those that affect the amount of time spent
- The reasons for subsequent changes in strategy
- Any comments on any figures in the summary of time spent accompanying the request the liquidator wishes to make
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement
- Any existing agreement about fees
- 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

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases

6 1 4 Where the fee is charged on a percentage basis the liquidator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by a liquidator or his staff.

6.2 After remuneration approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the liquidator should notify the creditors of the details of the resolution in his next report or circular to them. When subsequently reporting to creditors on the progress of the liquidation, or submitting his final report, he should specify the amount of remuneration he has drawn in accordance with the resolution (see further paragraph 7.1 below). Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 6.1.3. Where the fee is charged on a percentage basis the liquidator should provide the details set out in paragraph 6.1.4 above regarding work which has been sub-contracted out.

6.3 Disbursements and other expenses

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements, but there is provision for the creditors to challenge them, as described below. Professional guidance issued to insolvency practitioners requires that, where the liquidator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the liquidator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

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 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 fees, and in any reports he 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 has vacated office, the date that he 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 a winding-up resolution passed on or after 6 April 2010,
- goes into voluntary liquidation immediately following an administration on or after 6 April 2010, except where the preceding administration began before that date,
- goes into compulsory liquidation as the result of a petition presented on or after 6 April 2010, except where the liquidation was preceded by
 - an administration which began before that date,
 - a voluntary liquidation in which the winding-up resolution was passed before that date