

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

WEDNESDAY



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A18

15/09/2021

#216

COMPANIES HOUSE

### 1 Company details

Company number 0 6 7 9 1 4 7 9  
Company name in full The Yellow Submarine Group Limited

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Lisa  
Surname Ion

### 3 Liquidator's address

Building name/number Leonard Curtis  
Street 6th Floor, Walker House  
Exchange Flags  
Post town Liverpool  
County/Region  
Postcode L 2 3 Y L  
Country

### 4 Liquidator's name

Full forename(s) David  
Surname Moore

① Other liquidator  
Use this section to tell us about  
another liquidator.

### 5 Liquidator's address

Building name/number Leonard Curtis  
Street 6th Floor, Walker House  
Exchange Flags  
Post town Liverpool  
County/Region  
Postcode L 2 3 Y L  
Country

② Other liquidator  
Use this section to tell us about  
another liquidator.

# LIQ03

## Notice of progress report in voluntary winding up

### 6 Period of progress report

From date	d 2 d 0	m 0 m 7	y 2 y 0	y 2 y 0
To date	d 1 d 9	m 0 m 7	y 2 y 0	y 2 y 1

### 7 Progress report

☒ The progress report is attached

### 8 Sign and date

Liquidator's signature

Signature

X *Anyone*

X

Signature date

d 1 d 3	m 0 m 9	y 2 y 0	y 2 y 1
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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 **Alison McLauchlan**

Company name **Leonard Curtis**

Address **6th Floor, Walker House**

**Exchange Flags**

**Liverpool**

Post town

County/Region

Postcode

**L 2 3 Y L**

Country

DX

Telephone **0151 556 2790**



**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- ☒ The company name and number match the information held on the public Register.
- ☒ You have attached the required documents.
- ☒ You have signed the form.



**Important information**

**All information on this form will appear on the public record.**



**Where to send**

**You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:**

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.



**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

**The Yellow Submarine Group Limited  
(In Members' Voluntary Liquidation)**

**Current Registered Office: 6<sup>th</sup> Floor, Walker House, Exchange Flags, Liverpool, L2 3YL**

**Former Registered Office: 97a Allerton Road Allerton, Liverpool, L18 2DD**

**Trading Address: 97a Allerton Road, Allerton, Liverpool, L18 2DD**

**Joint Liquidators' First Progress Report  
prepared pursuant to Section 92A(1) of the Insolvency Act 1986 (as amended)  
and Rule 18.3 of the Insolvency (England and Wales) Rules 2016**

**Report period  
20 July 2020 to 19 July 2021**

**13 September 2021**

**Leonard Curtis  
6th Floor, Walker House, Exchange Flags,  
Liverpool, L2 3YL  
Tel: 0151 556 2790 Fax: 0151 556 2791  
recovery@leonardcurtis.co.uk  
Ref: I/48/AM/TA62E/1010**

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TO ALL MEMBERS AND THE REGISTRAR OF COMPANIES

**1 INTRODUCTION**

- 1.1 Lisa Ion and David Moore were appointed joint liquidators of The Yellow Submarine Group Limited ("the Company") by the members on 20 July 2020.
- 1.2 Lisa Ion and David Moore are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales under office holder numbers 21912 and 7510, respectively.
- 1.3 There has been no change in office holder since the date of liquidation.
- 1.4 This report provides an update on the conduct of the liquidation for the period from 20 July 2020 to 19 July 2021, as required by Section 92A(1) of the Insolvency Act 1986 (as amended) and Rule 18.3 of the Insolvency (England and Wales) Rules 2016 ("the Rules"). It shows how the liquidation has been conducted and the Company's property disposed of, the outcome for members and other information that the liquidators are required to disclose.
- 1.5 All figures are stated net of VAT.

**2 CONDUCT OF THE LIQUIDATION**

- 2.1 On appointment, all the relevant notices were sent to all directors, shareholders and Companies House. The Notice of the appointment was advertised in The London Gazette on 30 July 2020.
- 2.2 The Company's registered office was changed to 6th Floor, Walker House, Exchange Flags, Liverpool, L2 3YL on 17 August 2020.
- 2.3 Following their appointment, the Joint Liquidators carried out enquiries to establish whether or not the Company operated a pension scheme and all online notification requirements in relation to pension matters have been carried out.
- 2.4 The Accountant prepared final accounts to the date of the liquidator's appointment which were submitted to HM Revenue & Customs.
- 2.5 We received clearance from H M Revenue & Customs in March 2021 and our files have been passed to our closing team. A full review of the files will be undertaken and it is expected that the closing formalities will be completed shortly.
- 2.6 **Assets Realised**

Debt Due by Unconnected Party

The Declaration of Solvency showed that there was a debt due from an unconnected party of £212,000 in relation to a sale of the business in January 2020. £53,000 has been repaid and the balance of £159,000 deferred consideration will now be distributed 'In Specie' to the shareholders.

Directors Loan Account

The accounts showed that there was an overdrawn directors loan account totalling £46,996. This was repaid in full in September 2020.

Cash At Bank

A total of £284,980.97 has been received from National Westminster Bank plc. This is slightly less than shown on the Declaration of Solvency due to final bank charges being applied.

Bank Interest Received

A total of £6.68 has been received in respect of funds held by the liquidators in an account with Allied Irish Bank GB.

**Assets Still to be Realised**

- 2.7 There are no further assets to be realised.

**3 RECEIPTS AND PAYMENTS ACCOUNT**

- 3.1 A summary of the joint liquidators' receipts and payments for the period from 20 July 2020 to 19 July 2021 is attached at Appendix A.

**4 PAYMENTS TO CREDITORS**

- 4.1 As detailed in the declaration of solvency, liabilities were estimated to total £500.
- 4.2 A notice for creditors to submit claims was advertised on 30 July 2020.
- 4.3 Creditor claims totalling £1,929 & VAT were paid in full, together with statutory interest of £112.63. Details as follows;

2 September 2020	Stubbs Parkin Chartered Accountants	£500 & VAT
5 November 2020	Stubbs Parkin Chartered Accountants	£1,429 & VAT

**5 DISTRIBUTIONS TO MEMBERS**

- 5.1 The Company's share capital consists of 5,100 ordinary shares and distributions to the members have been made as follows:

Date	Dividend	Type	£	£ / Share
15 September 2020	First Interim	Cash	322,000.00	63.137
4 November 2020	Second Interim	Cash	46,000.00	9.019
			<u>£368,000.00</u>	<u>£72.156</u>

**6 JOINT LIQUIDATORS' REMUNERATION, EXPENSES AND DISBURSEMENTS, AND MEMBERS' RIGHTS**

**Remuneration**

- 6.1 On 20 July 2020, the members resolved that the joint liquidators' remuneration be payable as a set amount of £3,500 & VAT which has been drawn in full.

### Expenses and Disbursements

- 6.2 A summary of the joint liquidators' expenses from 20 July 2020 to 19 July 2021 is attached at Appendix B. To assist members' understanding of this information, it has been separated into the following two categories:
- *Standard Expenses*: this category includes expenses payable by virtue of the nature of the liquidation process and / or payable in order to comply with legal or regulatory requirements.
  - *Case Specific Expenses*: this category includes expenses likely to be payable by the joint liquidators in carrying out their duties in dealing with issues arising in this particular liquidation. Included within this category are costs that are directly referable to the liquidation but are not paid to an independent third party (and which may include an element of allocated costs). These are known as 'category 2 disbursements' and they may not be drawn without creditor approval.
- 6.3 Authority to take category 2 disbursements was approved by members on 20 July 2020.
- 6.4 Attached at Appendix C is additional information in relation to the firm's policy on staffing, the use of subcontractors, disbursements and details of current charge-out rates by staff grade.
- 6.5 Since our last report, the following professional advisors have been instructed:

Name of Professional Advisor	Service Provided	Basis of Fees
Stubbs Parkin Chartered Accountants	Preparation and submission of final accounts and Tax returns	Fee agreed by the directors and shareholders

Stubbs Parkin Chartered Accountants were instructed as they were the company's former accountants and had a full knowledge of the financial position and were able to prepare the final accounts and tax computations.

The fees were higher than shown on the original Declaration of Solvency as it transpired that there were outstanding invoices due to them for the period prior to the Liquidation. All fees were agreed with the Directors and Shareholders and we believe that they are fair and reasonable in light of the services provided by them.

### Members' Rights

- 6.6 Under Rule 18.9 of the Rules, within 21 days of receipt of this report, members with either at least five per cent of the total voting rights of all the members having the right to vote at general meetings of the Company, or with the permission of the court, may request in writing that the joint liquidators provide further information about their remuneration or expenses which have been itemised in this report.
- 6.7 Under Rule 18.34 of the Rules, members with at least 10 per cent of the total voting rights of all the members having the right to vote at general meetings of the Company, or with the permission of the court, may within eight weeks of receipt of the progress report that first reports the fee basis, the charging of the remuneration or the incurring of the expenses in question, make an application to court on the grounds that, in all the circumstances, the basis fixed for the joint liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the joint liquidators, as set out in the progress report, are excessive.



- 6.8 Unless the court orders otherwise, the costs of the application shall be paid by the applicant and are not payable as an expense of the liquidation.
- 6.9 Further guidance may be found in "A Guide to Liquidators' Fees" which is attached at Appendix D. If you would prefer this to be sent to you in hard copy form, please contact Alison McLauchlan of this office on 0151 556 2790.

**7 MATTERS STILL TO BE DEALT WITH**

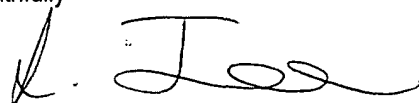
- 7.1 As mentioned earlier in the report, our duties as liquidator will soon be fulfilled and the closing procedure has commenced. A 'Distribution In Specie' of the outstanding debt due from a connected party and a final distribution will be made to the shareholders following which a final report will be sent to you and the liquidation will be concluded.

**8 OTHER MATTERS**

**Data Protection**

- 8.1 When submitting details of your claim in the liquidation, you may disclose personal data to the joint liquidators or their staff. The processing of personal data is regulated in the UK by the General Data Protection Regulation EU 2016/679 as supplemented by the Data Protection Act 2018, together with other laws which relate to privacy and electronic communications. The joint liquidators act as Data Controller in respect of personal data obtained in relation to this liquidation and are therefore responsible for complying with Data Protection Law in respect of any personal data they process. Leonard Curtis' privacy notice, which is attached at Appendix D, explains how your personal data is processed. Terms used in this clause bear the same meanings as are ascribed to them in Data Protection Law.
- 8.2 The joint liquidators are bound by the Insolvency Code of Ethics, which can be found at:  
<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

Yours faithfully



**LISA ION  
JOINT LIQUIDATOR**

Lisa Ion and David Moore are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales under office holder numbers 21912 and 7510, respectively

APPENDIX A

SUMMARY OF JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS  
FROM 20 JULY 2020 TO 19 JULY 2021

	Estimated to realise	As at 19 July 2021
	£	
<b>RECEIPTS</b>		
Debts Due by Unconnected Party	212,000	53,000.00
Directors Loan Account	46,996	46,996.00
Balance at Bank	285,000	284,980.97
Bank Interest Received	-	6.68
	<u>£543,996</u>	<u>£384,983.65</u>
<b>PAYMENTS</b>		
Liquidators' remuneration		3,500.00
Accountants Fees		1,929.00
Statutory Interest		112.63
Category 1 Disbursements;		
Statutory Advertising		275.40
Bordereau		275.00
Incidental Outlay		107.00
Irrecoverable VAT		1,218.48
		<u>£7,417.51</u>
<b>DISTRIBUTIONS</b>		
Cash distributions to members;		
1 <sup>st</sup> Interim Distribution £63.137/Share		322,000.00
2 <sup>nd</sup> Interim Distribution £9.019/Share		46,000.00
		<u>£368,000.00</u>
<b>Balance</b>		<b>£9,566.14</b>
<b>Represented By;</b>		
Current Account – Allied Irish Bank GB		9,566.14
		<u>£9,566.14</u>

APPENDIX B

SUMMARY OF JOINT LIQUIDATORS' EXPENSES FROM 20 JULY 2020 TO 19 JULY 2021.

Standard Expenses

Type	Charged by	Description	Total Amount Incurred to Date £	Amount Paid £	Amount Unpaid £
AML Checks	Business Tax Centre	Electronic client verification	20.00	20.00	-
Bond Fee	AUA Insolvency Services	Insurance bond	275.00	275.00	-
Software Licence Fee	Pelstar	Case management system licence fee	87.00	87.00	-
Statutory Advertising	Courts Advertising	Advertising	275.40	275.40	-
		<b>Total standard expenses</b>	<b>£657.40</b>	<b>£657.40</b>	<b>£Nil</b>

Case Specific Expenses

Type	Charged by	Description	Total Amount Incurred to Date £	Amount Paid £	Amount Unpaid £
Accountancy Fees	Stubbs Parkin Chartered Accountants	Accountancy Work	1,929.00	1,929.00	-
		<b>Total case specific expenses</b>	<b>£1,929.00</b>	<b>£1,929.00</b>	<b>£Nil</b>

## APPENDIX C

### LEONARD CURTIS POLICY REGARDING FEES AND EXPENSES

The following Leonard Curtis policy information is considered to be relevant to creditors:

#### Staff Allocation and Charge Out Rates

We take an objective and practical approach to each assignment which includes active director 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. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by the appropriate body of creditors that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters as set out in a fees estimate, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to request and obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rates given below.

The following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

	6 Jan 2014 onwards		1 Aug 2019 onwards		1 March 2021 onwards	
	Standard	Complex	Standard	Complex	Standard	Complex
	£	£	£	£	£	£
Director	450	562	525	656	550	688
Senior Manager	410	512	445	556	465	581
Manager 1	365	456	395	494	415	518
Manager 2	320	400	345	431	365	456
Administrator 1	260	325	280	350	295	369
Administrator 2	230	287	250	313	265	331
Administrator 3	210	262	230	288	245	306
Administrator 4	150	187	165	206	175	219
Support	0	0	0	0	0	0

Office holders' remuneration may include costs incurred by the firm's in-house legal team, which may be used for non-contentious matters pertaining to the insolvency appointment.

#### Use of Associates

We are required to disclose to those responsible for approving our remuneration whether any payments we intend to make from an insolvency estate are to Associates of Leonard Curtis. The term "Associate" is defined in s435 of the Insolvency Act 1986 but we are also required to consider the substance or likely perception of any association between the appointed insolvency practitioner, their firm (LC) or an individual within the firm and the recipient of a payment. Payments to Associates are subject to the same level of approval as the office holder's fees and category 2 expenses (see table below).

Whilst we are not aware of any third parties who meet the legal definition of "Associate" we are aware that there is a perceived association between LC and Pelstar Limited. Pelstar Limited provides insolvency case management software and document hosting facilities to LC. LC employs an individual who is married to a director of Pelstar Limited. Pelstar Limited's costs are set out in the tables below.

#### Use of 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 of relevant disbursements.

## The Yellow Submarine Group Limited – In Members' Voluntary Liquidation

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.

### Use of Subcontractors

Where we subcontract out work that could otherwise be carried out by the office holder or his/her staff, this will be drawn to the attention of creditors in any report which incorporates a request for approval of the basis upon which remuneration may be charged. An explanation of why the work has been subcontracted out will also be provided.

### Categorisation of Expenses

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses: standard expenses and case specific expenses. These are explained in more detail below:

- a) **Standard Expenses** – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include:

Type	Description	Amount																								
AML checks via Smartsearch	Electronic client verification in compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	£5.00 plus VAT per search																								
Bond / Bordereau fee via AUA Insolvency Services	Insurance bond to protect the insolvent entity against any losses suffered as a result of the fraud or dishonesty of the IP	£10.00 to £1,200.00 dependent on value of assets within case																								
Company searches via Companies House	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service																								
Document hosting via Pelstar Limited (see Use of Associates and Category 2 expenses)	Hosting of documents via a secure portal for access by creditors/shareholders. Costs are charged per upload plus VAT and are generally dependent upon the number of creditors. The costs are commensurate with those charged by other providers of comparable services.	<table><tr><th>Type</th><th>First 100</th><th>Every addtl 10</th></tr><tr><td>ADM</td><td>£14.00</td><td>£1.40</td></tr><tr><td>CVL</td><td>£7.00</td><td>£0.70</td></tr><tr><td>MVL</td><td>£7.00</td><td>£0.70</td></tr><tr><td>CPL</td><td>£7.00</td><td>£0.70</td></tr><tr><td>CVA</td><td>£10.00</td><td>£1.00</td></tr><tr><td>BKY</td><td>£10.00</td><td>£1.00</td></tr><tr><td>IVA</td><td colspan="2">£10 p.a. or £25 for life of case</td></tr></table>	Type	First 100	Every addtl 10	ADM	£14.00	£1.40	CVL	£7.00	£0.70	MVL	£7.00	£0.70	CPL	£7.00	£0.70	CVA	£10.00	£1.00	BKY	£10.00	£1.00	IVA	£10 p.a. or £25 for life of case	
		Type	First 100	Every addtl 10																						
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		CVA	£10.00	£1.00																						
BKY	£10.00	£1.00																								
IVA	£10 p.a. or £25 for life of case																									
Software Licence fee hosting via Pelstar Limited (see Use of Associates and Category 2 expenses)	Payable to software provider for use of case management system. The costs are commensurate with those charged by other providers of comparable services.	£87.00 plus VAT per case																								
Postage via Royal Mail or Postworks	Cost of posting documents which are directly attributable to a case to external recipients	Calculated in accordance with applicable supplier rates and dependent on the number of pages and whether the document is sent by international, first or second class post.																								

b) Case-specific expenses – this category includes expenses (other than office-holders' fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include but may not be restricted to:

Please note that expenses are generally categorised as Category 1 or Category 2:

- Business mileage 45p per mile

Category 2 expenses and payments to Associates may only be drawn if they have been approved in the same manner as an office holder's remuneration.

## A GUIDE TO LIQUIDATORS' FEES

### A SHAREHOLDERS GUIDE TO LIQUIDATORS FEES - ENGLAND AND WALES

## A GUIDE TO LIQUIDATORS' FEES

### 1. Introduction

1.1 When a company goes into liquidation the costs of the proceedings are paid out of its assets. The members (shareholders), who hope to recover some of their investment, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as Liquidator.

1.2 The insolvency legislation recognises this interest by providing mechanisms for members to fix the basis of the Liquidator's fees. This guide is intended to help members be aware of their rights to approve and monitor fees, explains the basis on which fees are fixed and how members can seek information about expenses incurred by the Liquidator and challenge those they consider to be excessive.

### 2. Liquidation procedure

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

2.2 Voluntary liquidation is the more common of the two. A solvent voluntary liquidation is called a members' voluntary liquidation (often abbreviated to 'MVL'). In this type of liquidation an insolvency practitioner acts as Liquidator throughout and the members vote on the appointment of the Liquidator at a meeting of members or by passing written resolutions under the Companies Act 2006.

### 3. Fixing the Liquidator's remuneration

3.1 The basis for fixing the Liquidator's remuneration is set out in Rules 18.16, 18.17 and 18.19 of the Insolvency (England & Wales) Rules 2016. 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.

3.2 Any combination of these bases may be used to fix the remuneration, and different bases may be used for different things done by the Liquidator. Where the remuneration is fixed as a percentage, different percentages may be used for different things done by the Liquidator.

3.3 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. 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.

3.4 If there is no liquidation committee, (which is usually the case in an MVL) or the committee does not make the requisite determination, the Liquidator's remuneration will be fixed by a resolution of a meeting of members. The members 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. 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.

#### 5. What information should be provided by the Liquidator?

##### When fixing bases of remuneration

5.1 The Liquidator should provide those responsible for approving the basis of remuneration sufficient information to enable the committee or the members to make an informed judgement about the reasonableness of the Liquidator's request. The information should be presented in such a manner which is transparent, consistent throughout the life of the case, while being proportionate to the circumstances of the case.

##### Fees estimates where remuneration is based on time costs

5.2 If any part of the remuneration is sought on a time costs basis, the Liquidator should provide detailed information in the form of a written fees estimate which specifies:

- Details of the work the Liquidator and staff propose to undertake
- The hourly rates to be charged for each part of that work
- The time the Liquidator anticipates each part of the work will take

5.3 In addition, the Liquidator should provide an estimate of the expenses that will be or are likely to be incurred.

##### Other

##### General principles

5.4 When reporting, the Liquidator should disclose:

- Payments, remuneration and expenses arising from the Liquidation paid to the Liquidator or any associates
- Any business or personal relationships with parties responsible for approving the Liquidator's remuneration or who provide services to the Liquidator in respect of the insolvency appointment where the relationship could give rise to a conflict of interest

5.5 The Liquidator should inform members of their rights under insolvency legislation, and should advise them how they may access suitable information setting out their rights, within the first communication and in each subsequent Report.

5.6 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.

##### After the bases of remuneration have been fixed

5.7 The Liquidator is required to send progress reports to members at specified intervals (see paragraph 6.1 below). When reporting periodically to members, in addition to the matters specified in paragraph 6.1, 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.

5.8 Members 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).

5.9 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.

5.10 Where a fees estimate has been provided, remuneration cannot be drawn in excess of the fees estimate without the approval of the Liquidation committee, (if there is one) or more likely, the members themselves. The Liquidator should state:

- Why the estimate has been, or is likely to be exceeded
- The additional work required to be undertaken
- The hourly rates proposed to be charged for each part of the additional work
- The time the additional work has taken or is anticipated it will take

### **Disbursements and other expenses**

5.11 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.

5.12 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.

5.13 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.

### **Realisations for secured creditors**

5.14 Where the Liquidator realises an asset on behalf of a secured creditor and receives remuneration out of the proceeds, he should disclose the amount of that remuneration to the committee (if there is one), to any meeting of members convened for the purpose of determining his fees, and in any reports he sends to members.

## **6. Progress reports and requests for further information**

6.1 The Liquidator is required to send annual progress reports to members. 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;
- details of progress during the period of the report, including a summary of the receipts and payments during the period;
- details of what remains to be done;

- a statement of the members' rights to request further information, as explained in paragraph 6.2, and their right to challenge the Liquidator's remuneration and expenses.

6.2 Within 21 days of receipt of a progress report, a member may request the Liquidator to provide further information about the remuneration and expenses set out in the report. Any request must be in writing.

6.3 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
- the Liquidator is subject to an obligation of confidentiality in relation to the information requested

6.4 Any member may apply to the court within 21 days of the Liquidator's refusal to provide the requested information, or the expiry of the 14 days' time limit for the provision of the information.

## **7. What if a member is dissatisfied?**

7.1 Except in cases where there is a liquidation committee, it is the members 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 members' meeting. In order to do this at least ten per cent in value of the members must concur with the request, which must be made to the Liquidator in writing.

7.2 If a member 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.

## **8. What if the Liquidator is dissatisfied?**

8.1 If the Liquidator considers that the remuneration fixed by the liquidation committee, or by the members is insufficient, or that the basis used to fix it is inappropriate, the Liquidator may apply to the court for the amount or rate to be increased or the basis changed.

8.2 If the Liquidator 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 shareholders 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.

## **9. Other matters relating to remuneration**

9.1 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.

9.2 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 to a meeting of members.

9.3 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 members or the court.

9.4 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.

9.5 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.

**10. Effective date**

10.1 This guide applies where a company goes into liquidation on or after 6 April 2017.

## PRIVACY NOTICE

### LEONARD CURTIS PRIVACY NOTICE FOR CREDITORS

#### Information we collect and hold about you

By requesting details of your claim in this insolvency, we may collect Personal Data from you, particularly if you are a consumer creditor, a sole trader or are lodging a claim in your personal capacity.

Personal Data is information relating to a living individual. Whenever Personal Data is processed, collected, recorded, stored or disposed of it must be done within the terms of the General Data Protection Regulation ("the GDPR"). Examples of Personal Data include but may not be limited to your name, address, telephone number and email contact details.

If you do not provide us with the information we require, this may adversely affect our ability to deal with your claim, but we would ask you not to submit more Personal Data than we request from you.

#### Legal justification for processing your Personal Data

The processing of your Personal Data by us is necessary to enable us to comply with legal obligations under the Insolvency Act 1986 and associated legislation which we are subject to as Insolvency Practitioners.

#### How we use your information

All information you supply to us is required to enable us to comply with our duties under the Insolvency Act 1986 and associated legislation. It will be used to enable us to assess the extent of the insolvent entity's liabilities, to allow you to vote on any decision procedures, to enable us to communicate with you, to process your claim and to pay any dividends which may be due to you from the insolvent estate.

#### Who we share your information with

We may be required to share some of your Personal Data with other creditors. The data which will be shared with other creditors will be limited to that specifically required to be disclosed under insolvency legislation.

We may share some of your information with our Data Processors. Data Processors include solicitors, accountants and employment law specialists who assist us with our duties where required. We will only share your information with our Data Processors if we require their specialist advice. All of our Data Processors are subject to written contracts with us to ensure that your Personal Data is processed only in accordance with the GDPR.

#### How long will we hold your Personal Data for?

We will need to hold your Personal Data for a period of time after the insolvency has been concluded. This is to enable us to deal with any queries which might arise. Our Records Management Policy requires us to destroy our physical files 6 years after closure of the case. Electronic data files will be removed from our Case Management System 6 years after conclusion of the case but may be held on our server for a longer period of time but with restricted access.

#### Your rights in respect of your Personal Data

You have the right to request access to your Personal Data and to require it to be corrected or erased. You also have the right to request a restriction in the way we process your Personal Data or to object to its processing. You should be aware however that we may not be able to comply with your request if this would affect our ability to comply with our legal obligations.

You have the right to Data Portability. This is a right to have the Personal Data we hold about you to be provided to you in a commonly used and machine-readable format so that you can transfer that Data to another organisation in a way that is not too onerous to upload the Data.

**Your right to complain**

You have the right to be confident that we are handling your Personal Data responsibly and in line with good practice. If you have a concern about the way we are handling your Personal Data you should contact our Privacy Manager in the first instance.

If you are unable to resolve your concerns with us, you have the right to complain to the Information Commissioners' Office. The Information Commissioner can be contacted at Wycliffe House, Water Lane, Wilmslow, Cheshire SK6 5AF or on 0303 123 1113.

**Contacting us**

If you have any questions relating to the processing of your Personal Data, please write to our Privacy Manager at Leonard Curtis, 5<sup>th</sup> Floor, Grove House, 248A Marylebone Road, London NW1 6BB Alternatively our Privacy Manager can be contacted by telephone on 0207 535 7000 or by email: [privacy@leonardcurtis.co.uk](mailto:privacy@leonardcurtis.co.uk).

**Data Controller: LEONARD CURTIS**