

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

S106

For Official Use

To the Registrar of Companies

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Company Number

0542914

Name of Company

AB ELECTRONIC LTD

I / We

Michael Bowell
2nd Floor, Tunsgate Square
98-110 High Street
Guildford
Surrey, GU1 3HE

Dermot Coakley
Second Floor, Tunsgate Square
98-110 High Street
Guildford
Surrey, GU1 3HE

give notice

- 1 that a general meeting of the company was held on/~~summoned for~~ 13 / 1 / 2012 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 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
- 2 that a meeting of the creditors of the company was duly held on / ~~summoned for~~ 13 / 1 / 2012 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 of the company has been conducted and the property of the company disposed of and that the same was done accordingly / no quorum was present at the meeting

Signed *Michael Bowell*

Date 13 January 2012

MBI Coakley Ltd
2nd Floor, Tunsgate Square
98-110 High Street
Guildford
Surrey, GU1 3HE

Insolvency

MONDAY
TUESDAY



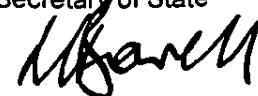
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A17 16/01/2012 #61
COMPANIES HOUSE

Ref 179/MB/DC/SC/MF

AB ELECTRONIC LTD
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments
From 12 January 2011 To 13 January 2012

S of A £		£	£
	ASSET REALISATIONS		
1,002 00	Book Debts	14,093 03	
	Cash at Bank	19,639 73	
	Toll Refund	1,886 00	
	Bank Interest Gross	0 72	
	Intellectual Property	10,000 00	
		45,619 48	45,619 48
	COST OF REALISATIONS		
	Specific Bond	70 00	
	Office Holders Fees	13,469 16	
	Office Holders Expenses	130 90	
	Agents/Valuers Fees (1)	1,980 00	
	Corporation Tax	0 14	
	Stationery & Postage	21 83	
	Storage Costs	32 50	
	Statutory Advertising	555 30	
		(16,259 83)	(16,259 83)
	UNSECURED CREDITORS		
(1,334,641 00)	Trade & Expense Creditors	29,358 92	
	Employees	NIL	
	Banks/Institutions	0 73	
		(29,359 65)	(29,359 65)
	DISTRIBUTIONS		
(713,125 00)	Ordinary Shareholders	NIL	
		NIL	NIL
(2,046,764.00)			0.00
	REPRESENTED BY		
	VAT inputs and payments		3,302 91
	Bank 1 Current		(0 00)
	VAT outputs and refunds		3,302 91)
			(0.00)

I confirm that the above account has been reconciled with the account held by the Secretary of State



Michael Bowell
Joint Liquidator

**Private and Confidential
AB ELECTRONIC LIMITED
In Liquidation**

**AB ELECTRONIC LIMITED [“the
Company”]
In Creditors’ Voluntary Liquidation**

**Final Report to the Members and
Creditors pursuant to S106 Insolvency
Act 1986
Dated 15 November 2011**

- **Company Name. AB ELECTRONIC LIMITED**
- **Company Number 542914**
- **Registered Office. 2nd Floor, Tunsgate Square, 98-110 High St, Guildford, GU1 3HE**
- **Trading Address Harston Hill, Harston Mill, Harston, Cambridge, CB2 5GG**
- **Office Holders. Michael Bowell & Dermot Coakley**
- **Appointed Joint Liquidators on 14 January 2011**

**MBI Coakley Ltd
Second Floor, Tunsgate Square
98-110 High Street
Guildford
Surrey GU1 3HE**

Private and Confidential
AB ELECTRONIC LIMITED
In Liquidation

1. Report

In accordance with the provisions of Section 106 Insolvency Act, 1986, we present the final report to the members and creditors of the Company on the progress of the liquidation. The purpose of the report is to lay before each of the meetings an account of the Joint Liquidators' acts and dealings and the conduct of the winding up during the liquidation.

Attached to this report are the following documents

- Summary of Liquidators' Proposed Final Receipts and Payment Account
- Summary of Liquidators' time costs
- A copy of the "Creditor's Guide to Liquidators' Fees" and addendum
- Notice of Final Meetings of the Members and Creditors
- Proxy form for use at the meetings, if appropriate

We comment further on progress in the liquidation below

2. Summary Receipts and Payments Account

We attach a Summary as at 15 November 2011 together with a proposed Final Summary as at 13 January 2012. The contents of the summary receipts and payments account are largely self-explanatory, however, we report further on certain items below.

2.1 Receipts

The Estimated Statement of Affairs affirmed by the Directors at the date that the Company went into liquidation estimated a small balance at bank in the sum of £1,002 and estimated as "uncertain" realisations for Trade Debtors and Patents.

After our appointment, a connected company [IT Electronics Technologies Ltd] did express an interest in acquiring the Company's Patents.

Our agents undertook a valuation of the Patents and in August 2011 a sale was concluded in the sum of £10,000 in respect of patents relating to two products.

The cash at bank figure realised in the sum of £19,639.73 largely consisted of a number of trade debtor receipts received into the Company's bank accounts shortly prior to and after the liquidation had commenced.

In addition, a book debt was realised in the sum of £14,359.16 from a customer that had previously gone into liquidation.

No further realisations are anticipated.

2.2 Payments

Payments consist of costs associated with the winding up of the Company.

Liquidators' fees and disbursements have not yet been drawn. Sanction to draw such fees and expenses will be in accordance with the resolutions passed at the first meeting of creditors.

There is no Corporation Tax liability for the period post Liquidation.

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AB ELECTRONIC LIMITED
In Liquidation

3. Matters requiring further investigation

There were no particular matters identified to be reviewed by the Liquidators and we can confirm that during the course of the liquidation no additional sources of recovery have come to light. Our report on the conduct of the Directors was filed with the Department for Business Innovation & Skills as required by statute

4. Creditors' Claims/Dividend Prospects

There are no preferential creditors.

A dividend to non-preferential creditors will be payable and a Notice of Intention to pay a dividend has been advertised in the London Gazette as required by Statute. The last day for submitting a claim is the 16th of December 2011. It is not anticipated that any additional creditors will come forward.

The Liquidators have adjudicated upon the claims of three unsecured creditors and such claims rank in the sum of £2,174,788 for dividend purposes.

It is anticipated that a dividend payment of between 1-1 5p in the £ will be declared and paid before the end of the year.

5. 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.

There is not a holder of Qualifying Floating Charges ["QFL"] and therefore the provisions of section 176A of the Act relating to the Prescribed Part do not apply.

6. Dividend Prospects

It is anticipated that a dividend payment of between 1-1 5p in the £ will be declared and paid before the end of the year.

7. Liquidators' Remuneration

Resolutions relating to the basis of the Liquidators' remuneration were approved by Creditors at the first meeting, as previously reported. A summary of the time spent is attached in accordance with Statement of Insolvency Practice (SIP 9), for the information of the members and creditors. A Creditors' Guide to Liquidators' Fees setting out this firm's policies on disbursements and current charge out rates is attached.

The time costs totalling £9,928.50 do not include the time spent preparing this report or take account the further time spent in paying the dividend and closing this liquidation. We anticipate that such costs will be in the range of £3,000-£5,000.

8. Final Meetings of Members and Creditors

The Joint Liquidators are taking steps to finalise the liquidation and to cease to act as Liquidators.

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AB ELECTRONIC LIMITED
In Liquidation

As noted above, formal notices of the final meetings of Members and Creditors and of the Resolutions to be proposed at the meeting are attached. The report was presented at the meetings and the members and creditors passed the following resolutions

- that the Liquidators' Final Receipts and Payments Account be approved
- that the Liquidators' Final Report be approved
- that the Liquidators' be released from office

If any creditor or member requires any further information or clarification on any matter relating to the liquidation of the Company please contact this office

For your information Michael Bowell's authorising body is the Insolvency Practitioners Association and Dermot Coakley's, is the Institute of Chartered Accountants in England & Wales

Please contact this office if you require any further information.



Michael Bowell MIPA
Joint Liquidator
AB ELECTRONIC LIMITED In liquidation

AB ELECTRONIC LTD
(In Liquidation)

Joint Liquidators' Abstract Of Receipts And Payments
To 13 January 2012

RECEIPTS	Total (£)
Book Debts	14,359 16
Cash at Bank	19,639 73
Toll Refund	1,886 00
Bank Interest Gross	0 72
Intellectual Property	10,000 00
VAT outputs and refunds	3,302 91
	<hr/>
	49,188 52
	<hr/>
PAYMENTS	
Book Debts	266 13
Specific Bond	70 00
Office Holders Fees	13,469 16
Office Holders Expenses	130 90
Agents/Valuers Fees (1)	1,980 00
Corporation Tax	0 14
Stationery & Postage	21 83
Storage Costs	32 50
Statutory Advertising	555 30
Trade & Expense Creditors	29,358 92
Banks/Institutions	0 73
VAT inputs and payments	3,302 91
	<hr/>
	49,188 52
Balances in Hand	(0 00)
	<hr/>
	0 00
	<hr/> <hr/>

Time Entry - SIP9 Time & Cost Summary

179 - AB ELECTRONIC LTD
 Project Code POST
 To 13/01/2012

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hc Rate
Admin & Planning	2.40	3.10	23.50	0.00	29.00	5,111.00	17
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	
Creditors	6.40	6.90	2.70	0.00	16.00	4,214.00	26
Investigations	2.90	2.00	5.40	0.00	10.30	2,237.50	21
Realisation of Assets	2.50	2.40	3.50	0.00	8.40	1,912.00	22
Trading	0.00	0.00	0.00	0.00	0.00	0.00	
Total Hours	14.20	14.40	35.10	0.00	63.70	13,474.50	21
Total Fees Claimed						13,724.00	

AB ELECTRONIC LIMITED IN LIQUIDATION

ADDITIONAL INFORMATION IN RELATION TO OFFICE HOLDER'S FEES PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9 (SIP9)

In accordance with best practice, we provide below details of the policy of MBI Coakley Ltd ["MBI"] in respect of fees and expenses for work in relation to the above insolvency. The policy covers the following:

- 1 Staff allocation and the use of subcontractors
- 2 Professional advisers
- 3 Disbursements
- 4 Charge out rates and work performed

1. Staff allocation and the use of subcontractors

The general approach to resourcing assignments is to allocate staff with the skills and experience appropriate to meet the specific requirements of the case, having regard to its nature and complexity. The case team will usually consist of a Director, Manager and Administrator.

It is not our general policy to utilise the services of subcontractors and no subcontractors have been used on this case.

2. Professional Advisers

On this assignment we have used the services of the professional advisers listed below. We have also indicated the basis of our fee arrangement with them which is subject to periodic review.

Name of Professional Adviser	Basis of Fees
Philp Davies & Sons-Agents	Time Costs

When choosing professional advisers, we take into consideration their experience and ability to perform the type of work required, the complexity of the assignment, their suitability for the particular case and the basis of the fee arrangement.

3. Disbursements

It is the policy of MBI to charge and recover all actual disbursements [Category 1 Disbursements] incurred and full records of those disbursements are retained and are available, together with an explanation as to why they have been incurred, to all creditors. Category 1 disbursements do not require specific approval by creditors. This type of disbursement generally comprises of external suppliers of services identifiable to a specific case, such as postage, statutory advertising, room hire, and document collection. In addition, any properly reimbursed expenses of the Office Holders and of their staff will be recovered.

The recovery of Category 2 Disbursements requires the approval of creditors before they can be paid. It is also our policy in all insolvencies to charge the following Category 2 Disbursements at the rates shown.

Travel - Motor Vehicles are charged at 55p per mile and all other forms of travel are charged at actual cost.

Company Records Storage - 40p per week per archive box, £6 50 per box destruction
 Photocopying/Facsimiles - 10p per sheet
 Room Hire - meetings held at MBI's offices £150 Meetings at any other venue at actual cost

VAT is chargeable on all disbursements at the prevailing rate

4. Charge-out Rates

The current hourly charge-out rates per staff involved in working on the insolvency are set out below, together with the rates for the previous year

Grade	Year 2010 & 2011 £	Year 2009 £
Office Holder	295-325	295
Manager 1	265	235
Manager 2	235	
Administrator 1	165	145
Administrator 2	145	

The rates charged by MBI are reviewed in January of each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. In accordance with best practice, time is charged in 6 minute units

A description of the work performed under the main activity codes shown on the SIP9 summary attached, are as follows

Activity	Description
Administration & Planning	Includes case planning, statutory returns, maintenance of bank accounts and estate records, appointment notification, administrative set-up, maintenance of records, matters relating to tax, general correspondence, general legal advice, meetings
Investigations	Includes statutory duty of investigation into company's affairs, investigating generally, CDDA reports, legal advice
Realisation of Assets	Includes realisation of assets, identifying, securing and insuring of assets, costs associated with sale of business and assets, debt collection, legal advice
Trading	Includes time on site, ordering and supply of goods, supervision of staff, debt collection management of trading operations, accounting for trading, on-going employee issues, legal advice
Creditors	Includes correspondence and meetings with creditors, pension issues and employees, reporting to creditors, retention of title, adjudicating on creditor claims, employee matters, legal advice

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