**Liquidator’s Annual**

**Progress Report to**

**Creditors & Members**

**[Company Name] Limited**

**­ In Liquidation**

**[Date of Report]**

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**APPENDICES**

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# Introduction and Statutory Information

## I, [Name of Liquidator] of [Firm Name and Address], was appointed as Liquidator of [Company Name] (the **Company**) on [Date]. This progress report covers the period from [Date] to [Date] (**the Period**) and should be read in conjunction with any previous progress reports which have been issued.

## Information about the way that we will use, and store personal data on insolvency appointments can be found in the attached Privacy Notice *[OR]* can be found at [insert web link or link to creditor portal where this is located]. If you are unable to download this, please contact us and a hard copy will be provided to you.

### *[NB, If there has been any change in office holder since the original appointment date - ensure details are provided in this section of the changes and when they occurred]*

## The principal trading address of the Company was [Insert address]. The business traded under the name [Insert name if different from the Company name otherwise delete sentence].

## The registered office of the Company has been changed to [Insert address] and its registered number is [Insert number].

## *[If any potential threats to one of the five Fundamental Principles under the Insolvency Code of Ethics has been identified but not yet disclosed to creditors and it is considered that the potential threat can be addressed by disclosing the relevant information to creditors, address the disclosure in this report and note the safeguards proposed to deal with it.*

## *Consider also whether the issue underlying the disclosure has any potential impact on payments from the estate (office holder’s remuneration or expenses payable to third parties) - for example, does the issue identified concern association of a third party which would mean that any payments made to that third party require prior approval by creditors? Alternatively, could it mean that a third party is precluded from approving the liquidator’s remuneration or expenses? – see SIP 9, paras 9 & 10.*

# Receipts and Payments

## At Appendix A is my Receipts and Payments Account covering the Period of this report. *[Where this is not the first progress report continue with the next sentence – otherwise delete]* Also attached at Appendix B, is a cumulative Receipts and Payments Account for the period from the date of my appointment as Liquidator to the end of the Period covered by this report.

## *[If any explanations about receipts and payments in the Period are required, continue with the following, otherwise delete it]*

## In Section 3 below, you will find an update on the progress made during the Period in realising the Company’s assets and dealing with its affairs. I would, however, bring the following matters about the receipts and payments during the Period to your attention:

## *[Provide an explanation about particular receipts and payments made during the Period as considered appropriate or delete the second sentence. Remember that SIP9 requires that payments are reported consistently throughout the life of a case].*

# Progress of the Liquidation

## This section of the report provides creditors with an update on the progress made in the liquidation during the Period and an explanation of the work done by the Liquidator and his staff.

### *[SIP9 requires that an appropriate narrative update explaining the office holder’s activity during the period being reported upon be given to creditors. One of the principles of SIP9 (post 1/4/21) is that all payments from an estate should be* ***fair and reasonable*** *and* ***proportionate*** *to the appointment. In addition, payments to the liquidator from an estate should also be fair and reasonable reflections of the work necessarily and properly undertaken. Ensure that a suitable explanation is provided to creditors for* ***any costs that do not appear to be proportionate to the case*** *to comply with the principles of the SIP.*

### *You should use consistent divisions for each part of the work done throughout the life of the case and reflect the work categories in any fees estimate, where the basis approved is time costs. Whilst a blended rate (or rates) may have been used for the earlier fees estimate, SIP9 mandates that subsequent reporting should reflect the* ***actual hours and average rate (or rates)*** *of the costs charged for each part of the work be provided for comparison purposes. Ensure a matrix covering the time spent is included either within the report or as an appendix to it and ensure that suitable narrative explanations are given which again are proportionate to the work carried out in the period being reported on.*

### *Some work will have been performed solely to comply with statutory requirements and other aspects of work done will add value or has been necessary to realise assets and distribute funds. Some work (eg, further investigation work) may have been necessarily undertaken but ultimately has not added any monetary value to the estate. Ensure these matters are explained to creditors in this narrative section.*

## *It is not however necessary to repeat information provided in prior progress reports, if this is not the first one being issued. Concise summary information or reference to information in previous reports issued is sufficient, providing creditors will be able to understand the narrative explanation of the work done in the period of this report from this.*

## *The narrative should provide an explanation if work has now been done that was not originally anticipated and this has had an impact on the original fee estimate. If significant amounts of time have been allocated to a particular grade of staff (eg, a partner has undertaken an aspect of the work due to the inherent complexities), the narrative should explain why the work required the involvement of that particular grade of staff.]*

### ***Administration (including statutory compliance & reporting)***

## An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work I anticipated would need to be done in this area was outlined in my initial fees estimate/information which was previously agreed by creditors.

## Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Liquidator.

## As noted in my initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors but is required on every case by statute.

## *[If appropriate, add an explanation about any increase in costs in this category, or work not foreseen at the time the fees estimate was approved]*

### **Realisation of Assets**

## *[Provide an update on the realisation of the Company’s assets during the period of this report - use subheadings as appropriate and ensure you provide sufficient narrative explanation to creditors that they can understand the progress that has been made in the period. It is not necessary to repeat information previously provided to creditors (if this is not the first annual progress report) unless it adds context to the information being provided here. This section could include categories such as Property, Stock, Fixtures & Fittings, Debtors, etc - outline where 3rd parties such as debt collection agents and valuation agents or solicitors are assisting the Liquidator in realising the assets.*

## *If solicitors are assisting in the realisation of an asset/group of assets, explain what legal action will be required, both in terms of securing and disposing of these assets. Again, ensure that you consider the reporting of proportionality of 3rd party costs against work undertaken by them per the principles of SIP9. You should also provide an explanation of the assets which are still to be realised in your report and what the marketing and disposal strategy for their realisation is and the likely timescale. Ensure the expenses estimate at Appendix E remains curren*t.*]*

## *If there have been any particular difficulties in realising assets in the Period, report this to creditors and assess the impact on the initial fees estimate, etc. If this will/has caused a variance in the expected costs of the liquidation, refer to section 5 for update information.]*

## It is anticipated that the work the Liquidator and his staff have undertaken to date will bring a financial benefit to creditors because *[add suitable comment - this may for example be a distribution to secured creditors of the Company only (from which a Prescribed Part fund may be derived for the benefit of unsecured creditors) or may, depending on realisations and the extent of any 3rd party security, result in a distribution to the preferential and unsecured creditors of the Company.]*

## *[OR, if it is not anticipated that the work done to realise the Company’s assets will provide any financial benefit to creditors, include the next section instead – amend as appropriate, this is only for guidance]*

## It is not anticipated that the work the Liquidator has carried out to deal with the Company’s assets will provide a financial benefit to creditors. This is because either the value of the assets was insufficient to produce a financial benefit after the associated costs of realisation were taken into consideration, or because there were no assets owned by the Company in accordance with the Company’s statement of affairs that could be realised for the benefit of creditors.

### ***Creditors (claims and distributions)***

## Liquidators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.

## *[If this is a post 1/12/20 case include 3.10 below, otherwise delete it]*

## Since 1 December 2020, claims from preferential creditors now fall into one of two categories, either ordinary (typically involving employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal, which rank equally among themselves), or secondary (which are claims by HMRC for VAT or other relevant tax deductions such as PAYE and employee NIC deductions, together with student loans and CIS deductions, which also rank equally among themselves). Ordinary preferential claims rank ahead of secondary preferential claims and all preferential creditors must be paid in full before any distribution can be made to the unsecured creditors of a company.

## Work undertaken by a Liquidator in dealing with a company’s creditors may only therefore bring a financial benefit to certain classes of creditor such as a secured creditor or the preferential creditors, however a Liquidator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidator in dealing with those claims.

## More information on the anticipated outcome for all classes of creditor in this case can be found in Section 4 below.

## At this stage, I consider the following matters worth bringing to the attention of creditors:

#### There are [Insert number of secured creditors] who are owed approximately [Insert amount]

#### I anticipate claims from preferential creditors totalling [Insert amount]

#### I will be required to deal with the claims of [Insert number of employees] *(if significant)*

#### There are approximately [Insert number of claims] unsecured creditor claims in this case with a value per the director(s) statement of affairs of [Insert amount]

#### *[Provide any other relevant information such as information on the quality of the Company’s records and whether it may be difficult to verify claims due to a lack of company information or whether there are any contingent or other claims with an uncertain value or claims which may take a particularly large amount of time to agree such as tax or pension liabilities]*.

### ***Investigations***

### *[If this is the first progress report, add the following sections, otherwise move to the section below for alternative information to be provided instead]*

## Some of the work Liquidators are required to undertake is to comply with legislation such as the Company Directors’ Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidator can pursue for the benefit of creditors.

## I can confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents. *[Comment if a disqualification order has been made]*.

## Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account any information provided by creditors. My investigations have not revealed any issues requiring further report or any further potential recoveries which could be pursued for the benefit of creditors.

### *[OR]*

## My investigations revealed the following issues:

## *[Comment on investigation undertaken outside of the scope of that ordinarily required of the liquidator eg, transactions at an undervalue or preferences. Comment on any action being taken, whether funding is being provided by third parties and whether disclosure is being restricted for confidentiality reasons. Comment on whether you require creditors to fund the investigation and if so, indicate the possible costs/outcomes. If relevant, enclose notice of a decision by correspondence giving creditors the opportunity to decide on whether to fund any further investigations or actions proposed.]*

### *[If this is not the first annual progress report, include the following sections rather than those above on Investigations]*

## You may recall from my first progress report to creditors that some of the work Liquidators are required to undertake is to comply with legislation such as the Company Directors’ Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidator can pursue for the benefit of creditors.

## My report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 was submitted during the first year of the liquidation and is confidential. *[Comment if a disqualification order has been made]*.

## Since my last progress report, I would advise that no further asset realisations have come to light that may be pursued by me for the benefit of creditors *[OR provide an update to creditors on the progress made with any specific investigations which may result in asset recoveries]*.

## ***Matters still to be dealt with***

## *[R18.3(1)(h) requires details of what remains to be done in the liquidation to be given to creditors in progress reports. Include an overview in this section and if fees are based on time spent, consider the impact of the work still to be done in the liquidation on the balance of the fees estimate remaining - explain to creditors as appropriate and deal with any potential revision to that estimate, etc in the section about remuneration below]*

### ***Connected Party Transactions*** *[delete section if not applicable or this information has already been reported in an earlier progress report]*

## In accordance with Statement of Insolvency Practice 13, I would advise you that the following assets were sold to [a director/the directors] of the Company during the period covered by this report:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date of transaction** | **Assets involved & nature of transaction** | **Consideration paid & date** | **Sold to** | **Relationship** |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

* 1. *[SIP13 requires the office holder to demonstrate that they have acted with due regard to creditors’ interests by providing creditors with a proportionate and sufficiently detailed justification of why a sale to a connected party was undertaken, including the alternatives considered]*

# Creditors

### ***Secured Creditors*** *[delete this section if no secured creditors]*

## [Name of secured creditor] holds a fixed and floating charge over the Company’s assets. At the date of the liquidation the indebtedness to the secured creditor was estimated at £[Amount] and has now been agreed at £[Amount] to which interest will be added. *[If a distribution has already been paid to the secured creditor(s), continue with the following sentence, otherwise delete it]* To date £[Amount] has been paid on account.

### ***Preferential Creditors***

## A summary of the preferential claims in the liquidation and details of any distributions paid to date can be found below:

## *[Delete any categories not applicable to this case.* *If the case commenced prior to 1/12/20, ensure the secondary preferential claims section is removed as it will not be applicable]*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Ordinary preferential claims *[delete this heading if pre 1/12/20 case]*** | **Agreed Claim**  **£** | **Statement of Affairs Claim**  **£** | **Dividend paid**  **p in the £1** | **Date dividend paid** |
| Employee claims (Total number of claims = [Number]) | [Total Amount] | [Total Amount] | [Enter p in the £1 paid] |  |
| Department for Business, Energy & Industrial Strategy (BEIS) | [Total Amount] | [Total Amount] | [Enter p in the £1 paid] |  |
| **Secondary preferential claims** | **Agreed Claim**  **£** | **Statement of Affairs Claim**  **£** | **Dividend paid**  **p in the £1** | **Date dividend paid** |
| VAT (HMRC) |  |  |  |  |
| PAYE, Employee NIC & CIS deductions (HMRC) |  |  |  |  |
| Student Loan Deductions |  |  |  |  |
| Debts owed under the Financial Services Compensation Scheme (FSCS) |  |  |  |  |

## No further dividend to any class of preferential creditor is anticipated *[or]* A further dividend is anticipated to [ordinary/secondary] prior to the conclusion of the liquidation, the details of which will be provided to the preferential creditors in due course.

### ***Unsecured Creditors***

## The Company’s statement of affairs indicated there were [Number] creditors whose debts totalled £[Amount]. To date, I have received claims totalling £[Amount] from [Number] creditors.

## The Company granted a floating charge to [Lender Name] on [Date] *[OR]* The Company did not grant any floating charges to a secured creditor. Accordingly, there is no requirement to create a fund out of the Company’s net floating charge property for unsecured creditors (known as the **Prescribed Part**), which only applies to charges created after 15 September 2003.

### *[OR]*

## The Company granted a floating charge to [Lender Name] on [Date]. Accordingly, I am required to create a fund out of the Company’s net floating charge property for unsecured creditors (known as the **Prescribed Part**).

## Based on present information, I estimate the value of the Company’s net floating charge property to be £[Amount]. Arising from this, the value of the unsecured creditors’ fund is presently estimated to be £[Amount]. Please note that this estimate is subject to fluctuation and the final outcome can only be determined once all asset realisations have been made.

## *[If applicable add – otherwise delete]* Given that I believe the costs of making a distribution to unsecured creditors from this fund would be disproportionate to the benefit, I intend to apply to Court for an Order releasing me from this requirement.

## Attached at Appendix F is an updated Estimated Outcome Statement for the liquidation. This represents my estimate of the outcome of the liquidation as at the end of the Period covered by this report. Further updates will be provided in subsequent reports to creditors *[delete if not including an EOS]*. *[OR]*

## Attached at Appendix F is an updated Estimated Outcome Statement for the liquidation. This represents my estimate of the outcome of the liquidation as at the end of the Period covered by this report*.* Further updates on the anticipated outcome to creditors will be provided in subsequent reports, however you will note that it is currently anticipated there will be insufficient funds realised after defraying the expenses of the liquidation to pay a dividend to unsecured creditors *[Remove the first two sentences in this paragraph if not including an EOS]*.

# Notice of Intended Dividend *(if applicable – otherwise delete)*

## At present, I have funds of approximately £[Amount] in hand. It is my intention to pay a first dividend to non-preferential creditors within two months of the last date for proving which can be found in the Notice of Intended Dividend enclosed with this report.

## If you have not already submitted a Proof of Debt in the liquidation, can you please complete and return the enclosed form and return it to me before [Date], otherwise you will be excluded from any dividend payable after that date.

## Alternatively, I should be obliged if you would inform me if you have no claim in the liquidation.

# Liquidator’s Remuneration

## *[If this is the first progress report being issued in the liquidation, include the following paragraph, otherwise delete it]*. Creditors approved that my unpaid pre-liquidation fees totalling £[Amount] plus VAT and expenses be paid from the estate. During the Period, these fees have been paid in full and are shown on the enclosed Receipts and Payments Account at Appendix A *[or alternatively, explain what element of the pre-appointment fees have been discharged to date]*.

## The Creditors’ Committee *OR* Creditors *[delete as applicable]* approved that the basis of the Liquidator’s remuneration be fixed [either by reference to the time properly spent by him and his staff in managing the Liquidation OR as a percentage of the value of the assets he has to deal with OR as a set amount OR provide details of the combination of the three bases] *[confirm details if this is the case].* My fees estimate/information was originally provided to creditors when the basis of my remuneration was approved and was based on information available to me at that time.

### *[OR where this is a Para 83 exit from an earlier Administration add the following paragraph instead]*

## Where a company in Administration subsequently moves into Liquidation under Paragraph 83 of Schedule B1 to the Insolvency Act 1986 and the Administrator becomes the Liquidator, the basis of fees fixed in the earlier Administration automatically transfers to the subsequent liquidation. Administrators are able to provide a fees estimate for the liquidation (if they envisage the Company will move into liquidation on exit from the Administration) either with their proposals in the earlier Administration or following their appointment as Liquidator. In this case, the basis of my remuneration as [Insert basis agreed in Administration] transferred over and my fees estimate for the liquidation was provided [either in proposals OR following my appointment as liquidator] and was approved by [the creditors’ committee OR creditors].

## *[Then continue with 6.4 below]*

## A copy of my approved fees estimate for the liquidation is reproduced below:

|  |  |  |  |
| --- | --- | --- | --- |
| Category of work | Estimated Number of Hours | Average blended charge out rate  £ | Estimated cost  £ |
| Administration (inc statutory compliance & reporting) |  |  |  |
| Realisation of assets |  |  |  |
| Creditors (claims & distributions) |  |  |  |
| Investigations |  |  |  |
| Trading (where applicable) |  |  |  |
| Case specific matters (where applicable) |  |  |  |
| Total estimated fees |  |  | £Enter total |

### *[If the overall basis of the Liquidator’s remuneration is based on time costs, or the basis includes a time cost element, include the following information at 6.5]*

## My time costs for the Period are £[Amount]. This represents [Number] hours at an average rate of £[Amount] per hour. Attached as Appendix C is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent in managing the liquidation. To date, £[Amount] plus expenses shown in the enclosed Receipts and Payments Account has been drawn on account.

### *[If this is not the first progress report include 6.6, otherwise delete]*

## Also attached as Appendix D is a cumulative Time Analysis for the period from [Date of appointment] to [Date of this report] which provides details of the time costs incurred since my appointment. The cumulative time costs incurred to date are £[Amount]. This represents [Number] hours at an average rate of £[Amount] per hour.

## At the date of this report, I would confirm that my fees estimate for the liquidation remains unchanged and I currently anticipate that the total amount that will be paid to my firm in respect of the time costs incurred will be £[Amount]. Where this amount is less than my overall fees estimate, it may be that my fee recoveries will be restricted as a result of the funds available in the liquidation, which will prevent my time costs being recovered in full.

* + 1. *[OR if a revised fees estimate has been approved in the Period, include the following paragraph instead]*

## Since approval for my [original or previous, if already revised] fees estimate was obtained, it has been necessary to revise this estimate and I would confirm that further approval for my revised fees estimate was sought from creditors and approved on [Date]. The total of my revised fees estimate is now £[Amount].

## *[OR if approval is being sought to revise the liquidator’s fees estimate with this progress report, include the following instead]*

## I now consider that the [original or previous, if already revised] fees estimate I provided for the liquidation is insufficient to complete my duties. As a result, my revised fees estimate is attached at Appendix E to this report and includes details of the work I consider is additional to that set out in my [original/previous] fees estimate. The total of my revised fees estimate is £[Amount] and I am seeking approval to this increase by correspondence from creditors. Further details about the decision by correspondence can be found on the letter which accompanies this report.

## *[Then continue with]*

## I do not anticipate that any further approval will be necessary following the revision of my [original/previous] estimate, in order to conclude the liquidation *[OR]* I anticipate that it may be necessary to seek further approval to this revised estimate in due course and I will notify creditors accordingly should this happen.

## I will also update creditors on the anticipated total amount that will be paid to my firm in respect of the revised fees estimate in my next progress report. Given the current revision of my anticipated costs and the ongoing work in the liquidation, it is difficult at this time to accurately report the anticipated payment to my firm, other than it will not exceed the cap of my revised estimate at Appendix E without further approval from creditors.

### *[If the basis of the Liquidator’s remuneration is based on a percentage of realisations, or includes a percentage cost element, include the following information at 6.12 instead - otherwise delete it.*

## The basis of the Liquidator’s remuneration was agreed by creditors as a percentage of realisations made into the estate. Details of the realisations to date and associated remuneration drawn on account of those realisations is set out below. Any fees not yet drawn will be dealt with prior to closure and the final amount paid to my firm in this regard will be confirmed in my final progress report in due course.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Asset category** | **Value of assets realised in the Period** | **Total value of assets realised since appointment** | **Remuneration % agreed** | **Total fees due on realisations to date** | **Drawn to date** |
| Eg, Book debts | Eg, £100,000 | Eg, £100,000 | Eg, 10% | Eg, £10,000 | Eg, £2,000 |

### Included in the above percentage fee is the liquidator’s direct costs relating to [enter details eg, statutory advertising, specific penalty bond, etc] *– delete if not applicable*.

### *[If the basis of the Liquidator’s remuneration includes a set fee element, include the following information at 6.13 - otherwise delete]*

## The Liquidator’s remuneration basis was agreed as a set amount by creditors. To date an amount of £[Amount] has been drawn against the total set fee agreed of £[Amount]. It is anticipated the balance will be drawn prior to the closure of the liquidation, however the final amount paid to my firm against the agreed set fee will be confirmed in my final progress report in due course.

### Included in the above set fee is the liquidator’s direct costs relating to [enter details eg, statutory advertising, specific penalty bond, etc] *– delete if not applicable*.

## *[If the basis of the Liquidator’s remuneration was not agreed on time costs but as a percentage or set amount for example and the percentage or set amount has proved insufficient and you are seeking to increase the percentage or set amount previously agreed, provide details here instead]*

## A copy of ‘A Creditors’ Guide to Liquidators’ Fees’ is available on request or can be downloaded from *[Enter location of guide eg, firm's website or ICAEW/IPA website, etc & ensure creditors are directed to the relevant guide version applicable to the appointment]*.

## Attached as Appendix G is additional information in relation to the Liquidator’s fees and expenses including where relevant, information on the use of subcontractors and professional advisers.

# Creditors’ Rights

## Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidator provide further information about his remuneration or expenses which have been itemised in this progress report.

## Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidator’s remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive.

# Next Report

## I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final account.

## If you have any queries in relation to the contents of this report, I can be contacted by telephone on [Telephone number] or by email at [Email address].

Yours faithfully

**[Name]**

Liquidator

**Appendix E**

**Liquidator’s Revised Fees Estimate**

The Liquidator’s previous fees estimate has been (or is likely to be) exceeded and further approval is therefore required for a revision to this estimate as set out in the table below. This table indicates the anticipated revised cost against the Liquidator’s previous estimate and this appendix contains further information about the reasons why the previous estimate has been exceeded (or is likely to be exceeded) and what additional work has been undertaken or is proposed to be undertaken.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Category of work** | **Estimated total cost per previous fees estimate £** | **Additional number of hours** | **Average blended charge out rate for additional work** *(not included in the previous fees estimate)* **£** | **Estimated total revised cost £** |
| **Administration (inc statutory compliance & reporting** |  |  |  |  |
| **Realisation of assets** |  |  |  |  |
| **Creditors (claims & distributions)** |  |  |  |  |
| **Investigations** |  |  |  |  |
| **Trading (where applicable)** |  |  |  |  |
| **Case specific matters (where applicable – specify)** |  |  |  |  |
| **Totals** |  |  |  |  |

The reasons why the Liquidator has exceeded (or is likely to exceed) the original fees estimate is as follows:

*[Note the information prompts here are based on the requirements of R18.30 where a fees estimate has been exceeded – therefore you should ensure that all matters prompted are disclosed adequately.*

*Provide relevant details of the reasons why the original fees estimate has been (or will be) exceeded here – this should be detailed enough that creditors can understand the reasons for the variance, particularly where unforeseen work has been encountered, rather than the work simply taking longer than anticipated to do (or explain why that is the case).*

*You should then explain what additional work has already been undertaken (or refer to this in the relevant section of the progress report if it has already been explained there) and what additional work remains to be done in support of the additional fee request.*

*If a further fee request is anticipated, either refer to this information in the main body of the progress report or explain here the reasons why it will be necessary to seek further approval in due course.*

*The remaining information required by R18.30 is contained in the table above.]*

**Appendix F**

**Estimated Outcome Statement as at [Date]**

**Appendix G**

**Additional Information in Relation to the Liquidator’s Fees, Expenses & the use of Subcontractors**

**Staff Allocation and the use of Subcontractors**

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.

We have not utilised the services of any subcontractors on this case.

*[OR]*

On this case we have utilised the services of the following subcontractors. It is considered that the cost of subcontracting this work to specialist contractors will be less than, or equivalent to, the cost of these services being undertaken by the office holder(s) or their staff and the outsourcing of this work will bring greater efficiency to this element of the work necessary in the liquidation.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Service (s)** | **Provider** | **Work to be done** | **Basis of fee arrangement** | **Cost to date £** | **Anticipated total cost £** |
| Employee claims processing | Enter name of subcontractor | Employee claims support, assisting with the submission of ERA claims to the Redundancy Payments Service and agreement of employee claims with the office holder. This may also include the production of P45s for former employees where appropriate | Eg, Rate per employee claim or hourly rate agreed | Enter amount paid to date | Enter total anticipated cost |
| Book debt collection | Enter name of debt collection firm | Pursuing and collecting in of outstanding book/contract debts due to the estate | Eg, XX% of realisations or time costs | Enter amount paid to date | Enter total anticipated cost |
| [Add further subcontractors as appropriate here] |  |  |  |  |  |

*[Note: SIP9 requires that where an office holder sub-contracts out work that could otherwise be carried out by the office holder or their staff, this should be drawn to the attention of creditors with an explanation of why it is being done, what is being done and how much it will cost. ERA work and debt collection are examples of this – include a statement here about why any such subcontractors are being used if they appear in the table above and also why it is considered there will not be a duplication of costs for example.*

*You should also specify if any subcontractors not foreseen at the time at which the basis of fee approval was obtained have since been utilised and if so, provide details, including any sums paid. Remember that prior fee approval as a Category 2 expense must be sought in instances where a subcontractor has an association with the office holder.*

**Professional Advisors**

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

|  |  |
| --- | --- |
| **Name of Professional Advisor** | **Basis of Fee Arrangement** |
| [Solicitor's name] (legal advice) | State basis agreed – if % state what the % is |
| [Insurer's name] (insurance) | State basis agreed – if % state what the % is |
| [Agent name] (valuation and disposal advice) | State basis agreed – if % state what the % is |

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

**Liquidator’s Expenses**

## The estimate of expenses which were anticipated at the outset of the liquidation was provided to creditors when the basis of my fees was approved. The table below compares the anticipated costs against those incurred to date.

***Category 1 expenses***

These expenses do not require prior approval by creditors. The type of expenses that may be charged to a case as a Category 1 expense generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, external room hire and external storage costs. Also chargeable, will be any properly reimbursed expenses incurred by personnel in connection with the case. These expenses may include disbursements which are payments first met by an office holder and then reimbursed from the estate.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Expense*** | **Estimated overall cost £** | **Paid in Prior Period £** | **Paid in the period covered by this report  £** | **Incurred but not paid to date  £** |
| Agent’s fees & expenses |  |  |  |  |
| Legal fees & expenses |  |  |  |  |
| Statutory advertising |  |  |  |  |
| Specific Penalty Bond |  |  |  |  |
| Insurance |  |  |  |  |
| External storage costs |  |  |  |  |
| External meeting room hire |  |  |  |  |
| Re-direction of mail |  |  |  |  |
| Pension advice |  |  |  |  |
| Case administration software |  |  |  |  |
| External Mail Services |  |  |  |  |
| External Web Hosting |  |  |  |  |
| AML electronic searches |  |  |  |  |
| Bank charges |  |  |  |  |
| Others – provide details |  |  |  |  |

*[You should also draw creditors’ attention to any Category 1 expenses included in this table that were not anticipated at the time the Liquidator’s fee approval was obtained. If any of the expenses have exceeded the original estimate, ensure an appropriate explanation of the reasons why is included here eg, if legal costs are higher, explain what additional work has been carried out and why. If the estimated overall cost will be exceeded, again this should be explained to creditors. It is not necessary to explain minor increases however, this should cover instances where the expense increase will have more impact – use reasonable judgement here.]*

***Category 2 expenses***

## These expenses do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may therefore include payments to associates of the office holder or shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. Details of Category 2 expenses charged by this firm (where appropriate) were provided at the time the Liquidator’s fees were approved by creditors.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Expense*** | ***Estimated overall cost £*** | ***Paid in Prior Period £*** | **Paid in the period covered by this report  £** | **Incurred but not paid to date  £** |
| External meeting room hire |  |  |  |  |
| Business mileage |  |  |  |  |
| External storage costs |  |  |  |  |
| Postage charges |  |  |  |  |
| AML electronic searches |  |  |  |  |
| Others - state |  |  |  |  |

*[If there are any additional Category 2 expenses not disclosed and approved at the outset, ensure approval to pay these is obtained before they are charged to the case.]*

**Charge-Out Rates** *[delete if basis of remuneration is not time costs]*

[IP Firm Name's] current charge-out rates effective from [enter date eg, 1 January 2021] are detailed below. Please note this firm records its time in minimum units of 6 minutes.

[Insert applicable rate scale]

|  |  |
| --- | --- |
|  | **(Per hour)**  **£** |
|  |  |
|  |  |
|  |  |