**Liquidator’s Annual**

**Progress Report to**

**Creditors & Members**

**[Company Name] Limited**

**­ In Liquidation**

**[Date of Report]**

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**APPENDICES**

1. Receipts and Payments Account for the Period from [Date of appointment or date of last annual progress report if not first report] to [Date of Anniversary]
2. Cumulative Receipts and Payments Account for the Period since the Liquidator’s Appointment *[Note: only applicable where this is not the first annual progress report being issued - delete if n/a]*
3. Time Analysis for the Period from the [Date of appointment or date of last annual progress report if not first report] to [Date of Anniversary] *[Note: only applicable for any part of remuneration based on time costs – delete if n/a]*
4. Cumulative Time Analysis for the Period since the Liquidator’s Appointment *[Note: only applicable for any part of remuneration based on time costs and where this is not the first progress report being issued – delete if n/a]*
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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].

# 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.

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

### *[SIP9 requires that an appropriate narrative statement explaining the work undertaken in the period be given to creditors. Whilst SIP9 no longer mandates that a time matrix must be provided where any part of the office holder’s remuneration is agreed on a time cost basis, the inclusion of a time analysis is likely to continue to provide creditors with a clearer overview of the time spent to date and those areas of work which have had the most time expended. The information presented to creditors should be consistent over the life of the case.]*

### *[The narrative statement of work done should be provided here and should be sufficiently detailed to allow creditors an understanding of the work done in the reporting period. It should also explain what work remains to be done on the case which prevents closure, etc and should explain where work is required by statute which may bring no financial benefit to creditors]*

### ***Administration***

## A liquidator must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. This work includes dealing with the Company’s creditors and employees together with administrative tasks associated the appointment, such as agreeing the strategy for the liquidation, filing notices of appointment, statutory advertising, opening and maintaining the estate cash book and bank accounts and reporting periodically to creditors, HMRC and the Registrar of Companies.

## *[Outline any particular areas of work that have affected the overall costs in this category during the Period.]*

## Creditors should note that this work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

### **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 professional advisers are assisting the Liquidator in realising the assets and what remains to be realised prior to closure of the liquidation. Include an estimate of the anticipated costs which will be incurred by the professional advisers assisting you in dealing with the sale of the Company’s assets prior to closure – this may be agents or solicitors’ costs or anticipated debt collection fees.]*

## It is anticipated that the work the Liquidator and his staff have undertaken to date will bring a financial benefit to creditors.This may 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/or unsecured creditors of the Company.

## Based on the above, I currently anticipate the total expenses that may be incurred in dealing with the remainder of the Company’s asset realisations to be £[Amount].

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

## Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. A Liquidator is 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.

## Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.

## The above work will not necessarily bring any financial benefit to creditors generally, 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.

### ***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 the Liquidator is 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 the latter, enclose notice of meeting by correspondence giving creditors the opportunity to vote on the alternatives provided.]*

### *[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 the Liquidator is 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]*

### ***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 from 1/12/16 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***

## [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. To date £[Amount] has been paid on account.

### ***Preferential Creditors***

## A summary of preferential claims is detailed below.

|  |  |  |  |
| --- | --- | --- | --- |
| **Preferential claim** | **Agreed Claim**  **£** | **Statement of Affairs Claim**  **£** | **Dividend paid**  **p in the £1** |
| 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] |

### *[Or comment on progress on individual claims if not yet agreed]*

## I would confirm that preferential creditors were paid in full on [Date].

## *[OR]*

## I would confirm that preferential creditors were paid a dividend of [Amount]p in the £ on [Date]. No further dividend to preferential creditors is anticipated.

### ***Unsecured Creditors***

## I have received claims totalling £[Amount] from [Number] creditors. I have yet to receive claims from [Number] creditors whose debts total £[Amount] as per the Company’s statement of affairs.

## 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.

## *[Provide further comment as appropriate on the likelihood of any distribution (ie, not just from the Prescribed Part) to unsecured creditors. In particular, if it is already known there will be no dividend declared to creditors, ensure the following statement is included. Delete if not applicable or a dividend from the Prescribed Part will be made]*

## I would confirm that it is anticipated there will be insufficient funds realised after defraying the expenses of the liquidation to pay a dividend to unsecured creditors.

# 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 the next two months and I enclose for your attention a Notice of Intended Dividend and a Proof of Debt form for those who have still to register their claim.

## If you have not already submitted a claim in the liquidation can you please complete and return the enclosed Proof of Debt 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

## 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].*

### *[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.

### *[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 5.3]*

## 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 by me in managing the liquidation. To date, £[Amount] plus expenses of £[Amount] has been drawn on account.

### *[If this is not the first progress report include 5.4, 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 my time costs since my appointment. The cumulative time costs incurred to date are £[Amount]. This represents [Number] hours at an average rate of £[Amount] per hour.

## *[SIP9 which is effective on all cases as from 1/12/15 outlines the key issues of concern to creditors, one of which is the anticipated cost of the work to be done by the Liquidator and the expenses associated with it. Whilst a fees estimate is not required on cases commencing before 1/10/15, your progress report should attempt to provide creditors with an anticipated cost to complete the case. Details of the likely professional costs/expenses involved in realising the Company’s remaining assets should be provided in section 2]*

## In considering the remaining work to be done in this liquidation, I currently anticipate that my time costs to complete the liquidation will be approximately £[Amount]. I will update creditors on this in my next progress report.

### *[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 5.5 - otherwise delete]*

## The Liquidator has made the following realisations upon which the creditors have approved a percentage be taken as remuneration. Details of the realisations to date and associated remuneration drawn on account of those realisations is are set out below:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **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 |

### Where applicable, further fees will be drawn as assets are realised, in accordance with the percentages previously agreed by creditors when fixing the basis of my remuneration.

### *[If the basis of the Liquidator’s remuneration includes a set fee element, include the following information at 5.7 - otherwise delete]*

## The Liquidator has drawn £[Amount] against the total set fee agreed of £[Amount] approved by creditors. The balance will be drawn over the course of the liquidation and I will update creditors in my next progress report in this regard.

## 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 E 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.

Yours faithfully

**[Name]**

Liquidator

**Appendix E**

**Additional Information in Relation to the Liquidator’s Fees & Expenses**

1. **Staff Allocation and the Use of Sub-Contractors**
   1. The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
   2. 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.
   3. We are not proposing to utilise the services of any sub-contractors in this case.
      1. *[OR]*
   4. On this case we are proposing to use the services of the following sub-contractors

|  |  |  |  |
| --- | --- | --- | --- |
| **Service (s)** | **Provider** | **Basis of fee arrangement** | **Cost to date** |
| Employee claims processing | Eg, Payco | Eg, Rate per employee claim or hourly rate agreed | Enter amount paid to date |
| Book debt collection | Enter name of debt collection firm | Eg, XX% of realisations or time costs | Enter amount paid to date |
| Taxation services | Enter name of tax specialists | Eg, Time costs | Enter amount paid to date |

1. **Professional Advisors**
   1. 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) | Hourly rate and disbursements |
| [Insurer's name] (insurance) | Hourly rate and disbursements |
| [Agent name] (valuation and disposal advice) | Hourly rate and disbursements |

* 1. 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.

1. **Liquidator’s Expenses**
   1. An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Paid in prior period £** | **Paid in the period covered by this report £** | **Incurred but not paid to date £** | **Total anticipated cost £** |
| Agents’ costs |  |  |  |  |
| Solicitors’ costs |  |  |  |  |
| Insurance |  |  |  |  |
| Statutory advertising |  |  |  |  |
| Specific penalty bond |  |  |  |  |
| External storage of books & records |  |  |  |  |
| External meeting room hire |  |  |  |  |
| Re-direction of the Company’s mail |  |  |  |  |
| Case related travel & subsistence |  |  |  |  |
| [Other – list] |  |  |  |  |
| **Category 2 expenses**  Business mileage  [Other - list] |  |  |  |  |

* 1. Category 1 expenses do not require approval by creditors. The type of expenses that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These expenses are included in the tables of expenses above.

## Category 2 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 include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 expenses charged by this firm (where appropriate) were provided at the time the Liquidator’s fees were approved by creditors. Any Category 2 expenses incurred are specifically highlighted in the tables of expenses above.

1. **Charge-Out Rates *[delete if basis of remuneration is not time costs]***
   1. [IP Firm Name's] current charge-out rates effective from [enter date eg, 1 January 2016] are detailed below. Please note this firm records its time in minimum units of 6 minutes.
   2. [Insert applicable rate scale]

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