R3 HELPSHEETS

PROGRESS REPORTS

MEMBERS' VOLUNTARY LIQUIDATION

Legal and Best Practice Requirements

Period to be covered

Generally	Subject to the provisions in respect of conversion to creditors' voluntary winding up, the report must cover the period of 1 year from the date on which the liquidator is appointed and every subsequent period of 1 year, or the period until the date of the liquidator's ceasing to act.	S92A(1)(a) R4.49C(1), (2) and (3)
Where liquidator ceases to act	The period to be covered by a progress report ends on the date when a liquidator ceases to act, and the period to be covered by each subsequent progress report is each successive period of 1 year beginning immediately after that date (and subject to that new liquidator ceasing to act).	R4.49C(3)
Liquidator's resignation	The report must cover the period commencing with the later of the liquidator's appointment or the date immediately following the end of the period of the last progress report, and ending with the date of the meeting to receive the liquidator's resignation.	R4.49C(3) R4.142
Joint appointees	Where there are joint liquidators and one leaves office, the progress report drafted will be completed in the name of all appointees at that date; and future progress reports will be twelve months after that for all new and/or continuing office holders. There should not be two timelines in place for new and continuing appointees.	Dear IP 48, ch 25, para 7
	Where a voluntary liquidator leaves office within the first twelve months of the liquidation, a progress report is not required even though the departing liquidator is ceasing to act. The activity of the departing liquidator will be rolled up into the first progress report by the new and/or continuing liquidators.	S92A R4.49C

When report to be sent

Generally	The report must be sent within 2 months of the end of the period which it covers.	S92A(1)(b) R4.49C(7)

Liquidator's resignation	A report must be sent with the notice summoning the members' meeting to receive the liquidator's resignation. The notice period for calling the members' meeting is set out in the Companies Act 2006 and related legislation; generally unless the company's articles provide otherwise, the notice period is 14 days	R4.49C(3) R4.142(1) CA 2006 s307

Those to whom report to be sent

Generally	A copy of the progress report must be sent to the members and the registrar of companies.	S92A(1) R4.49C(6)
Final report	The final report should be sent to each member and the Registrar.	s94(1)(3)

Matters to be included

Generally

The progress report is a report that must include:

R4.49C
R4.49B(1)(b) – (j), (3)

- full details of the company's name, address of registered office and registered number;
- full details of the liquidator's name and address and date of appointment, including any changes in office-holder;
- details of the basis set for the remuneration of the liquidator under Rule 4.148A (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 of remuneration has been fixed, and irrespective of whether or not it has been paid during the period, a statement of
    - the remuneration charged by the liquidator during the period of the report (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) and
    - if it is the first report, after the basis of remuneration has been fixed, the remuneration charged by the liquidator during the periods covered by the previous reports (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), together with a description of the things done by the liquidator during those periods in respect of which the remuneration was charged;
- a statement of the expenses incurred by the liquidator during the period of the report, irrespective of whether they were paid or not during that period;
- details of progress of the during the period of the report, including a receipts and payments account

	(see below); • details of any assets that remain to be realised; • a statement of the members' right to request information under Rule 4.49E and their right to challenge the liquidator's remuneration and expenses under Rule 4.148C; • Where there has been a division of unsold assets among creditors, a distribution in specie to members, or an arrangement under section 110, the relevant receipts and payments account must state the estimated value of the property distributed or transferred, and provide details of the basis of the valuation as a note to the account (see below)	R4.49F
Final report to members	The liquidator's report must provide an explanation of: • how the liquidation has been conducted and the company's property has been disposed of, and this explanation must be supported by a receipts and payments account; • the basis fixed for the liquidator's remuneration and by whom it was fixed; and • any other statement which the liquidator thinks it desirable to make.	S94 S4.126A
Receipts and payments accounts	• A receipts and payments account must be in the form of an abstract showing receipts and payments during the period of the report; • Details of arrangements under section 110 (acceptance of shares, etc, as consideration for sale of company property), if not provided in the progress or final report (see above); • Details of arrangements under section 110 (acceptance of shares, etc, as consideration for sale of company property), including the estimated value of - the property transferred to the transferee; - the property received from the transferee; and - the property distributed to members pursuant to s110(2) or (4); As a note to the account or summary of receipts and payments, provide details of the basis of the valuation; • The estimated value of any distributions in specie to creditors and, as a note, provide details of the basis of valuation; • When preparing receipts and payments accounts regard should be had to Statement of Insolvency Practice 7 (Preparation of Insolvency Office Holders' Receipts and Payments Accounts).	R4.49C(5) R4.49B(2) R4.49F(1) R4.49F(1) S92A S94 R4.142 R4.49G S92A S94 R4.142 SIP 7
Final receipts and payments	The receipts and payments account laid before the meeting of he company must include at least the following	S94(2) R4.126A

account items separately specified (except where the amount for an item is zero):

- the total of all receipts, with separate specification thereunder of –
  - receipts from trading carried on by the liquidator;
  - payments made in the course of trading carried on by the liquidator;
  - the source of all other receipts;
  - payments to redeem securities;
  - costs of execution; and
  - net realisations;

- the cost of employing a solicitors
- other legal costs;
- the liquidator's remuneration;
- the cost of employing an auctioneer;
- the cost of employing a valuer;
- the costs of taking possession of and maintaining the company's property;
- the cost of advertising in the Gazette and other newspapers;
- incidental outlays;
- a statement of the total of costs and charges incurred;
- the amount paid to holders of debentures of each class of debenture, setting out the amount paid per debenture, the nominal value of each debenture in each class and the total amount paid in respect of each class;
- the aggregate amount paid out to creditors;
- the amount of interest paid under section 189;
- the amount paid to contributories in respect of each class of share, setting out the amount per share and the nominal value of each share in each class;
- a statement of the total amount paid to holders of debentures, preferential and unsecured creditors and contributories;
- a statement of assets which have proved to be unrealisable, including the value of those assets which had been made for the purpose of Rule 4.49(2)(a)(ii);
- the amounts paid into the Insolvency Services

Account, set out separately, in respect of –

- unclaimed dividends payable to creditors in the winding up;
- other unclaimed dividends in the winding up;
- moneys held by the company in trust in respect of dividends or other sums due before the commencement of the winding up to any person as a member of the company;

Request for further information

After receipt of a progress report: R4.49E(1)

- members with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company; or
- any member, with the permission of the court,

may request, in writing, that the liquidator provide further information about the remuneration or expenses set out in the report.

The request must be made within 21 days of receipt of the report. R4.49E(2)(b)

The liquidator must provide the requested information within 14 days of receipt of the request, unless he considers that: R4.49E(1), (3)

- the time or cost involved in preparing the information would be excessive, or
- disclosure would be prejudicial to the conduct of the liquidation or might reasonably 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,

and except to the extent that the request is in respect of matter in a draft final report or a progress report to receive the liquidator's resignation which (in either case) was previously included in a progress report other than that required at the creditors' meeting to receive the liquidator's resignation. R4.49E(1)

In which case the liquidator must give the reasons for not providing the information.

Any member may apply to the court within 21 days of the liquidator's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information. R4.49E(4)