

THE
INSTITUTE OF
CHARTERED
ACCOUNTANTS
OF SCOTLAND



Sheriff Court Reporter's Pack

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Sheriff Court Reporter's Pack

Containing

- **1st Draft Pro Forma Report - Example Ltd (In Liquidation)**
- **Notes underpinning the preparation of the report (not part of the Report)**

Example Ltd (In Liquidation)

Sheriff Court at

Sheriff Court at

Example Ltd (In Liquidation)

**Report by a Reporter in accordance with the Interlocutor pronounced in the
Sheriff Court at on**

Liquidator

Law Agents

Reporter

Court

Sheriff Court at

Example Ltd (In Liquidation)

**Report by a Reporter in accordance with the Interlocutor
Pronounced in the Sheriff Court aton.....**

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3. Statement of the Liquidator's Intromissions	5
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Sheriff Court at.....

1

Example Ltd (In liquidation)

Sheriff Court at.....

May 2007

Interlocutor

The Sheriff, having considered the Note(No 7 of process) dispenses with intimation, service and advertisement and remits the accounts of the noter,....., Insolvency Practitioner, as Liquidator for the period fromto.....to (Reporter) for examination and audit and to report what in his opinion would be suitable remuneration for the Noter as Liquidator, reserving to pronounce further.

(The interlocutor will therefore normally instruct:

- a. Examine and audit the account of the Noter's intromissions as Liquidator for the period from to
- b. Report what in his opinion is a suitable remuneration for the said liquidator for the said period and sometimes
- c. Instruct confirmation that the outlays and disbursements are correct)

Report by a Reporter

In accordance with the foregoing interlocutor the Reporter has examined and audited the intromissions of the Liquidator for the period from to

The report should then give a brief overview of the case setting out the nature of the company's business, the nature of the assignment, the liquidator's initial assessment of the case and an indication of the anticipated return to creditors.

The report should then go on to provide a brief review of the work undertaken by the Liquidator referring, where appropriate, to matters such as:

- Sale of business/assets
- Continued trading
- Realisation of Debtors
- Investigations undertaken
- Complex contractual issues
- Litigation matters
- ROT issues and claims
- Statutory matters completed
- Confirm if all Legal accounts have taxed
- Brief review of Statement of Affairs and comparison with outcome and brief comments on significant variations

The Reporter appends the abstract of the Liquidators intromissions for the period from..... to

The balance with the bank amounting to £.....as at has been reconciled to the bank statement and a certificate verifying the balance obtained.

After providing for the remuneration and expenses of the Liquidation the balance of funds will be carried forward to the next account / will be available for distribution to the secured / floating charge / unsecured creditors.

Certificate by Reporter

A Audit of Intromissions

The Reporter certifies that the statement of the intromissions of the Liquidator for the period from to as appended to this report is correctly stated and sufficiently vouched.

(A bank statement may have to suffice as Bank Certificates may take over 28 days to be received from the Bank.)

B Remuneration

The Reporter confirms that he has reviewed the Liquidator's files and papers, the statements of the Liquidator's and staff time and trouble as appended to this report in SIP 9 format and confirms that he has considered the complexity of the case / matters of exceptional responsibility / matters which have brought additional value to the estate.

The Reporter is of the opinion that the time spent by the Liquidator and his staff has been properly spent, that the time spent is appropriate for the case and that the time spent and the average hourly rates are proportionate to the size and complexity of the case and therefore suggests that a Fee of (£.....) be allowed to which VAT falls to be added.

Outlays / Disbursements

The Reporter confirms that the outlays / category 2 disbursements as set out below have been properly incurred and vouched.

Type and Purpose

£

Sheriff Court at.....

3

Reported by

A Reporter
Edinburgh
May 2007

Sheriff Court at.....

4

Example Ltd (In Liquidation)

Notes

Date

1st January 2006

Of this datewas appointed Liquidator.

28th January 2006

Of this date a meeting of Creditors was held.

Sheriff Court at.....

5

Example Ltd (In Liquidation)

Statement of Liquidator's Intromissions

Period from to

Receipts

Payments

Funds at close of this account

Sheriff Court at.....

6

Example Ltd (in Liquidation)

Statement of Time and Charge out Summaries

Classification of Work Function

Administration and planning

Investigations

Realisation of assets

Trading

Creditors

Case specific matters

Total hours

Total Fees claimed

Sheriff Court at

7

Example Ltd (In Liquidation)

Statement of Liquidator's Trouble

Notes re the first draft pro forma report

1. The Report

Because there is no diet of taxation in the Sheriff Court process and therefore no opportunity of discussing the report with the Sheriff prior to the fee being fixed the report should give a sufficiently detailed review of the case to enable the Sheriff reading the report to have a full understanding of the case, the work carried out and any specific issues arising in the particular case.

Appending the liquidator's statement of time and charge out rates along with a statement of trouble should further assist the Sheriff in a better understanding of the case when he is considering the report and the fee recommendation.

This additional information should have regard to the size and complexity of the case and should comprise an explanation of what the liquidator has achieved and how it was achieved to enable the value of the exercise to be assessed as well as recognizing that the liquidator is required to fulfil certain statutory duties which might be seen to bring no added value for creditors.

The information provided should also be sufficient to establish that the time claimed has been properly spent on the case.

The detail provided and the form of presentation should always be proportionate to the size and complexity of the case and when considering the level of disclosure the levels suggested in the standard format in SIP 9 may not be appropriate in all cases and IP's and Reporters should have regard to para 3.4 and para 3 of Appendix C of SIP 9.

(Note: The matters listed in the draft pro forma report at page 1 are examples of some matters which could be mentioned in the report to provide a fuller understanding)

2. Audit

In fulfilling the requirement for audit as instructed in the Interlocutor the Reporter should have regard to the general principles of an Audit as set out in ISA (UK & Ireland) No 200. This standard sets out the Objectives of an Audit which are to enable the Auditor to express an opinion on the financial statements.

This Standard also sets out the Ethical principles governing the Auditor's responsibilities as follows:

- a. Independence
- b. Integrity
- c. Objectivity
- d. Professional Competence and due care
- e. Confidentiality
- f. Professional behaviour; and
- g. Technical Standards

3. Statements of Time and charge out summaries

These should be appended in SIP 9 format