

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 2 3 9 5 3 6 2

Company name in full Prosalt Limited (formerly Harry Ramsden's Limited)

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Andrew

Surname Tate

3 Liquidator's address

Building name/number Montague Place

Street Quayside

Post town Chatham Maritime

County/Region Kent

Postcode M E 4 4 Q U

Country

4 Liquidator's name ①

Full forename(s) James

Surname Hopkirk

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number Montague Place

Street Quayside

Post town Chatham Maritime

County/Region Kent

Postcode M E 4 4 Q U


Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report											
From date	^d 0	^d 7	^m 0	^m 8	^y 2	^y 0	^y 2	^y 1				
To date	^d 0	^d 6	^m 0	^m 8	^y 2	^y 0	^y 2	^y 2				
7	Progress report											
	<input checked="" type="checkbox"/> The progress report is attached											
8	Sign and date											
Liquidator's signature	<div>Signature</div> <div>  </div>											
Signature date	^d 2	^d 1	^m 0	^m 9	^y 2	^y 0	^y 2	^y 2				

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Amber Mapley**

Company name **Kreston Reeves LLP**

Address **Montague Place**

Quayside

Post town **Chatham Maritime**

County/Region **Kent**

Postcode **M E 4 4 Q U**

Country

DX

Telephone **01634 899813**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Prosalt Limited (formerly Harry Ramsden's Limited)
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 07/08/2021 To 06/08/2022 £	From 07/08/2020 To 06/08/2022 £
	SECURED CREDITORS		
(7,000,000.00)	Deep Blue Restaurants Holdings Limit	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
	Bank Interest Gross	NIL	0.91
25,000.00	Book Debts	NIL	NIL
25,754.29	Cash at Bank	NIL	28,292.54
	Contribution to costs	5,140.22	5,140.22
5,000.00	Leases, Furniture & Equipment	NIL	NIL
NIL	Stock	NIL	NIL
		5,140.22	33,433.67
	COST OF REALISATIONS		
	Insurance of Assets	NIL	672.00
	Legal Fees	NIL	3,478.00
	Notary fees	2,002.00	2,002.00
	Office Holders Expenses	NIL	25.00
	Office Holders Fees	4,500.00	23,000.00
	Statutory Advertising	NIL	173.30
	Valuers Fees	NIL	500.00
		(6,502.00)	(29,850.30)
	PREFERENTIAL CREDITORS		
Uncertain	Employee Arrears/Hol Pay	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
Uncertain	Employees	NIL	NIL
(44,106.00)	HM Revenue & Customs (PAYE/NI)	NIL	NIL
(201,869.00)	HM Revenue & Customs (VAT)	NIL	NIL
(383,857.40)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(13,122,370.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(20,696,448.11)		(1,361.78)	3,583.37
	REPRESENTED BY		
	Barclays Current Ac NIB 05.07.2021		2,197.97
	Vat Receivable		1,385.40
			3,583.37

Prosalt Limited (formerly Harry Ramsden's Limited) In Liquidation

Liquidators Second Progress
Report to Members and Creditors

Dated: 21 September 2022



Prosalt Limited – In Creditors' Voluntary Liquidation
Formerly Harry Ramsden's Limited

Liquidators' Progress Report to Creditors and Members

I am reporting on the progress made in the above company's liquidation since my appointment as Joint Liquidator on 07 August 2020.

This report will give an account of my acts and dealings and of the conduct of the liquidation for the period from my appointment to 06 August 2022 and should be read in conjunction with any previous reports and correspondence. I can advise that any reference to 'the period covered by this report', refer specifically to the period 07 August 2021 to 06 August 2022 ("the anniversary period").

The contents of this report are detailed as follows:

1. Statutory Information,
2. Liquidators' Actions Since Last Report,
3. Receipts and Payments,
4. Assets,
5. Liabilities,
6. Dividend Prospects,
7. Pre-Appointment Remuneration,
8. Liquidators' Remuneration,
9. Liquidators' Expenses,
10. Further Information,
11. Summary.

The enclosures provided with this report are as follows:

1. Receipts and payments account,
2. Routine work summary,
3. A summary of my firm's time costs to date,
4. Details of my firm's charge out rates and disbursement policy.

STATUTORY INFORMATION

Company name:	Prosalt Limited (formerly Harry Ramsden's Limited)
Registered office:	Montague Place, Quayside, Chatham Maritime, Chatham, Kent, ME4 4QU
Former registered office:	Chapter House, 33 London Road, Reigate, RH2 9HZ
Registered number:	02395362
Joint Liquidators' names:	Andrew Tate and James Hopkirk

Joint Liquidators' address:	Montague Place, Quayside, Chatham Maritime, Kent, ME4 4QU
Joint Liquidators' date of appointment:	07 August 2020
Actions of Joint Liquidators'	Any act required or authorised under any enactment to be done by a Liquidator may be done by either or both of the Liquidators acting jointly or alone.

LIQUIDATORS' ACTIONS SINCE LAST REPORT

Since my last report I have been finalising the paperwork regarding the formal transfer of trademarks registered overseas which had been previously sold as part of a transfer of assets undertaken prior to the liquidation. Further detail discussing this matter can be found within this report.

I have also spent time liaising with a connected company who had been guarantor in relation to one of the Company's Scottish leases. A surrender has now been formalised in relation to the lease.

I have also been winding-down the Company. I have written to HM Revenue & Customs ("HMRC") and requested clearance from them, and they have informed me that there is a penalty of £1,300 relating to the period prior to my appointment. As the Company is insolvent, this will form part of HMRC's final claim as a non-preferential unsecured creditor.

There is certain work that I am required by the insolvency legislation to undertake in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since my last progress report is contained in Appendix 1.

RECEIPTS AND PAYMENTS

My Receipts & Payments Account for the period from 07 August 2021 to 06 August 2022 is attached at Appendix 2. This also includes a summary of the receipts and payments for the whole period of liquidation.

The balance of funds are held in a non-interest bearing estate bank account.

ASSETS

Contribution to Costs

In June and July 2022, I received two payments totalling £5,140.22 from Deep Blue Restaurants Ltd ("Deep Blue") in relation to the Notary fee and my remuneration relating to the transfer of the trademarks noted above.

I was made aware that there were several trademarks that had been sold but the formal transfer paperwork had not been completed. As these were registered overseas, it was necessary for a notary to be instructed to review and sign the transfer documents.

As this was a request of Deep Blue, they were advised there were limited funds in the liquidation, and I required a contribution to cover the Notary costs and disbursements which included the Saudi Arabia Legislation fee and the Joint Liquidators' fee.

Further details are enclosed in this report to expand on the service the notary, Imison & Co, provided. There will be no further realisations under this heading, as the notary and remuneration fee were paid in June 2022.

LIABILITIES

Secured Creditors

The Company granted a fixed and floating charge to Barclays Bank PLC on 27 January 2020. As previously mentioned, there were no liabilities owed to this secured creditor.

The Company also granted a fixed and floating charge to Deep Blue Restaurant Holdings Limited (formerly Boparen Ventures Limited). The liabilities relate to cross guarantees and was estimated at £7,000,000.00. I have received a claim from this secured creditor in February 2021 for the sum of £5,398,801.67.

Preferential Creditors

There were no preferential claims detailed on the Statement of Affairs, and to date, there have been no further claims since my last report.

Crown Creditors

The Statement of Affairs included £24,975.00 owed to HM Revenue and Customs.

In May 2022 I received a claim from HMRC amounting to £208,841.18. Their claim is higher than expected due to the charges that have accrued since 2019/2020 tax year.

The above claim is made up from outstanding PAYE and Income Tax contributions.

Non-preferential unsecured Creditors

The statement of affairs included 25 non-preferential unsecured creditors with an estimated total liability of £333,381.14, not including the claim of HMRC as mentioned above.

I have received claims from 12 creditors for a total amount of £5,866,908.07 (including HMRC's claim). Within these claims a total of £42,947.09 can be attributed to five new claims that were not mentioned in the statement of affairs.

I have not received claims from 20 creditors, with an original estimated claims of £237,610.81.

DIVIDEND PROSPECTS

As mentioned previously, based on the current information there will be no dividend to any class of creditor, as the assets realised have been used to fund the costs of the liquidation.

Further details of this can be found in the payments section at Appendix 2.

PRE-APPOINTMENT REMUNERATION

The Board previously authorised the payment of £6,000.00 plus VAT as the fee for my assistance with preparing the statement of affairs and arranging the deemed consent procedure for creditors to appoint a liquidator.

The above fee was paid by Company prior to my appointment.

LIQUIDATORS' REMUNERATION

My remuneration was approved on a time cost basis based on a fees estimate of £37,170.25 on 02 March 2021 by the creditors. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors.

The table below represents my time costs to date:

	Number of hours spent	Average Hourly Rate	Time Cost (£)
Joint Liquidators' Time Costs during the Anniversary Period	37.50	259.03	9,713.50
Joint Liquidators' Time Costs for the Liquidation Period	205.30	220.01	44,772.50
Total	205.30	220.01	44,772.50

A detailed schedule of my time costs incurred to date is attached. In summary, this compares with my original fees estimate as follows:

Category	Estimated time spent	Actual time spent	Estimated time cost (£)	Actual time cost (£)
Case Administration	74.35	131.1	17,192.25	26,331.50
Realisation of Assets	28.40	24.10	7,092.50	7,905.50
Investigations	30.50	22.40	7,640	5,350
Trading	0.00	1.20	0.00	178
Creditors	25.70	24.70	5,245.50	5,007.50
Total	158.95	203.50	37,170.25	44,772.50

My total time costs to 06 August 2022 amount to £44,772.50, representing 203.50 of hours work at a blended charge out rate of £220.01 per hour, of which £9,713.50, representing 37.50 of hours work, was charged in the period since 07 August 2021 at a blended charge out rate of £259.03 per hour.

The actual blended charge out rate incurred compares with the estimated blended charge out rate of £233.85 in my fees estimate.

I have drawn £23,000.00 to 06 August 2022 of which £4,500.00 was drawn in the period since 07 August 2021.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3, together with an explanatory note which shows Kreston Reeves LLP's fee policy are available at the link <https://www.krestonreeves.com/creditor-information>. Please note that there are different versions of the Guidance Notes and in this case, you should refer to the April 2017 version.

LIQUIDATORS' EXPENSES

I have incurred and paid £25.00 towards my expenses since my appointment as Joint Liquidator, which was drawn and discussed in my previous report.

The table below lists my expenses incurred to date:

Type of Expense	Amount incurred in the previous reporting period
Insolvency Bond	£25
Total	£25

I also report the disbursements that have been met directly from the liquidation account. I have incurred and paid £6,825.30 since my appointment, of this £2,002.00 has been paid since 07 August 2021.

The table below lists my disbursements incurred to date:

Type of Disbursement	Amount incurred in the previous reporting period	Amount incurred in the anniversary period	Total incurred since my appointment
Valuers Fees	£500.00	NIL	£500.00
Legal Fees	£3,478.00	NIL	£3,478.00
Notary Fees	NIL	£2,002.00	£2,002.00
Statutory Advertising	£173.30	NIL	£173.30
Insurance of Assets	£672.00	NIL	£672.00
Total	£4,823.30	£2,002.00	£6,825.30

I have used the following agents or professional advisors in the liquidation period:

Professional Advisor	Nature of Work	Basis of Fees
SIA Group (UK) Limited	Valuer/Auctioneer	Fixed Fee
Stevens & Bolton Solicitors LLP	Solicitors	Time costs
Imison & Co Notary	Notaries	Fixed Fee

The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money. I have reviewed the charges they have made and am satisfied that they are reasonable in the circumstances of this case.

Imison & Co ("Imison")

I approached Imison in September 2021 to assist me with the change of ownership documents of the trademarks.

In June 2022, the documents were finalised and notarised by Imison, and a payment of £2,002 plus VAT was sent to them for their work carried out.

FURTHER INFORMATION

An unsecured creditor may, with the permission of the Court, or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Joint Liquidators' remuneration and expenses within 21 days of their receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Joint Liquidators as being excessive, and/or the basis of the Joint Liquidators' remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about Kreston Reeves LLP can be found at <https://www.krestonreeves.com/creditor-information>

SUMMARY

The Liquidation will remain open until the liquidation account has been drawn down and all remaining costs have been paid. I estimate that this will take approximately three months and once resolved the Liquidation will be finalised and our files will be closed.

If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Amber Mapley on 01634 899813, or by email at Amber.Mapley@krestonreeves.com



Andrew Tate
Joint Liquidator

Appendix 1.

1. Administration

This represents the work involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder and their managers. It does not give direct financial benefit to the creditors, but must be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow

- Dealing with all routine correspondence and emails relating to the case.
- Maintaining and managing the office holder's estate bank account.
- Maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case-by-case administrators.
- Preparing, reviewing, and issuing annual progress reports to creditors and members.

2. Creditors

Claims of creditors - the office holder needs to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder also needs to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

- Dealing with creditor correspondence, emails, and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Reviewing proofs of debt received from creditors.

Prosalt Limited (formerly Harry Ramsden's Limited)
(In Liquidation)
Joint Liquidators' Summary of Receipts and Payments

RECEIPTS	Statement of Affairs (£)	From 07/08/2020 To 06/08/2021 (£)	From 07/08/2021 To 06/08/2022 (£)	Total (£)
Leases, Furniture & Equipment	5,000.00	0.00	0.00	0.00
Stock	NIL	0.00	0.00	0.00
Book Debts	25,000.00	0.00	0.00	0.00
Cash at Bank	25,754.29	28,292.54	0.00	28,292.54
Contribution to costs		0.00	5,140.22	5,140.22
Bank Interest Gross		0.91	0.00	0.91
Employee Arrears/Hol Pay	Uncertain	0.00	0.00	0.00
Employees	Uncertain	0.00	0.00	0.00
		28,293.45	5,140.22	33,433.67
PAYMENTS				
Deep Blue Restaurants Holdings Limited	(7,000,000.00)	0.00	0.00	0.00
Office Holders Fees		18,500.00	4,500.00	23,000.00
Office Holders Expenses		25.00	0.00	25.00
Valuers Fees		500.00	0.00	500.00
Legal Fees		3,478.00	0.00	3,478.00
Notary fees		0.00	2,002.00	2,002.00
Statutory Advertising		173.30	0.00	173.30
Insurance of Assets		672.00	0.00	672.00
Trade & Expense Creditors	(383,857.40)	0.00	0.00	0.00
HM Revenue & Customs (PAYE/NI)	(44,106.00)	0.00	0.00	0.00
HM Revenue & Customs (VAT)	(201,869.00)	0.00	0.00	0.00
Ordinary Shareholders	(13,122,370.00)	0.00	0.00	0.00
		23,348.30	6,502.00	29,850.30
Net Receipts/(Payments)		4,945.15	(1,361.78)	3,583.37
MADE UP AS FOLLOWS				
Barclays Current Ac NIB 05.07.2021		409.89	1,788.08	2,197.97
VAT Receivable / (Payable)		4,535.26	(3,149.86)	1,385.40
		4,945.15	(1,361.78)	3,583.37

40038048 PROSALT LIMITED**Matter: Post Appointment Work****Analysis of Joint Liquidators' time costs for the period 07/08/2021 to 06/08/2022****For the period: 07/08/2021 to 06/08/2022**

Classification of Work Function	Hours					Total Hours	Time Cost	Av hourly Rate
	Partner	Manager	Senior	Assistant Administrator	Support			
Administration and Planning							£	£
Case Planning		1.30	3.70			5.00	1,082.00	216.40
Administrative set up					0.10	0.10	11.50	115.00
Maintenance of records		1.10	0.40		2.70	4.20	736.00	175.24
Statutory Reporting		0.50	1.50			2.00	442.50	221.25
Liason with Company Officers		1.70	0.20			1.90	604.00	317.89
Cashiering			5.50		2.10	7.60	1,200.00	157.89
Partner Review	0.30					0.30	141.00	470.00
Realisation of Assets								
Identify Secure Insure Assets		3.80				3.80	1,350.00	355.26
Debt Collection		0.90				0.90	306.00	340.00
Legal Matters		9.30	0.30			9.60	3,101.50	323.07
Creditors								
Communications with Creditor		0.80				0.80	281.00	351.25
Creditors Claims		1.30				1.30	458.00	352.31
Total Hours	0.30	20.70	11.60		4.90	37.50		259.03
Total Fees Claimed (£)	141.00	6,986.00	2,023.00		563.50		9,713.50	

40038048 PROSALT LIMITED**Matter: Post Appointment Work****Analysis of Joint Liquidators' time costs for the period 07/08/2020 to 06/08/2022****For the period: 07/08/2020 to 06/08/2022**

Classification of Work Function	Hours					Total Hours	Time Cost	Av hourly Rate
	Partner	Manager	Senior	Assistant Administrator	Support			
Administration and Planning							£	£
Case Planning		7.60	54.30			61.90	11,467.50	185.26
Administrative set up					0.10	0.10	11.50	115.00
Appointment notification		0.50				0.50	140.00	280.00
Maintenance of records		4.50	10.10		2.70	17.30	3,332.00	192.60
Statutory Reporting		7.80	11.60			19.40	4,462.00	230.00
Liason with Company Officers		4.50	3.70			8.20	2,071.50	252.62
Cashiering		0.20	17.30		2.10	19.60	3,211.00	163.83
Pension Matters			0.70			0.70	115.50	165.00
Partner Review	3.40					3.40	1,520.50	447.21
Investigations								
SIP 2 Review		4.20	1.30			5.50	1,489.50	270.82
CDDA Reports		0.60	10.30			10.90	1,930.50	177.11
Inv Antecedent Transactions		6.00				6.00	1,930.00	321.67
Realisation of Assets								
Identify Secure Insure Assets		8.70				8.70	2,904.00	333.79
Debt Collection		1.90				1.90	616.00	324.21
Property Bus and Asset Sales		0.90				0.90	264.00	293.33
Legal Matters		12.30	0.30			12.60	4,121.50	327.10
Trading								
On going employee issues			1.20			1.20	178.00	148.33
Creditors								
Communications with Creditor		2.90	16.70			19.60	3,717.50	189.67
Creditors Claims		2.30	2.80			5.10	1,290.00	252.94
Total Hours	3.40	64.90	130.30		4.90	203.50		220.01
Total Fees Claimed (£)	1,520.50	20,930.00	21,758.50		563.50		44,772.50	

PRACTICE FEE RECOVERY POLICY FOR KRESTON REEVES LLP
RESTRUCTURING AND RECOVERY

INTRODUCTION

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <http://www.krestonreeves.com/creditor-information>. Alternatively a hard copy may be requested from my office. Please note that we have provided further details in this policy document.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn. If approval has been obtained for remuneration on a time costs basis, i.e. by reference to time properly spent by members of staff of the practice at our standard charge out rates, the time incurred will also be disclosed, whether drawn or not, together with the average, or "blended" rates of such costs. Under the legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

TIME COSTS BASIS

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

Charge out rates per hour listed by staff classification

Staff Grade	Period from 1 June 2019 and 2020	Period from June 2021	Period from June 2022
Partner	£445	£470	£520
Manager/Senior Manager	£280 - £340	£295-£360	£325 – £400
Senior	£195	£205	£225 – £275
Assistant Administrator	£110 - £165	£175	£190
Support	£110	£110	£125

Where necessary and appropriate, members of staff from other departments of the practice will undertake work on a case. They will be charged at their normal charge out rate for undertaking such work.

These charge-out rates charged are reviewed in June 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. The work is generally recorded under the following categories:

- Administration and Planning
- Investigations
- Realisation of Assets
- Creditors
- Trading
- Case specific matters

In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and on new appointments we will seek time costs for the following categories:

- Administration and Planning
- Investigations
- Realisation of Assets
- Creditors
- Trading
- Case specific matters

When we seek time costs approval we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

PERCENTAGE BASIS

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation.

The legislation changed on 1 October 2015 and we now seek remuneration on a percentage basis more often. A report accompanying any fee request will set out the potential assets in the case, the remuneration percentage proposed for any realisations and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

FIXED FEE

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation.

The legislation changed on 1 October 2015 and we now seek remuneration on a fixed fee basis more often. A report accompanying any fee request will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

MEMBERS' VOLUNTARY LIQUIDATIONS AND VOLUNTARY ARRANGEMENTS

The legislation changes that took effect from 1 October 2015 did not apply to members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

ALL BASES

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

AGENT'S COSTS

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes:

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

In new appointments made after 1 October 2015, the office holder will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

DISBURSEMENTS

In accordance with SIP 9 the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or Kreston Reeves LLP; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and Company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

Kreston Reeves LLP will not be seeking to recover Category 2 disbursements in this case.