

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 7 2 0 2 5 6 3

Company name in full Tough Mudder Ltd

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Michael

Surname Solomons

### 3 Liquidator's address

Building name/number 82 St John Street

Street

Post town London

County/Region

Postcode E C 1 M 4 J N

Country

### 4 Liquidator's name ①

Full forename(s) Andrew

Surname Pear

#### ① Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number 82 St John Street

Street

Post town London

County/Region

Postcode E C 1 M 4 J N

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	<sup>d</sup> 0	<sup>d</sup> 3	<sup>m</sup> 1	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0
To date	<sup>d</sup> 0	<sup>d</sup> 2	<sup>m</sup> 1	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1

### 7 Progress report

☒ The progress report is attached

### 8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

<sup>d</sup> 0	<sup>d</sup> 8	<sup>m</sup> 1	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1
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**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 **Julie Thatcher**

Company name **BM Advisory**

Address **82 St John Street**

Post town **London**

County/Region

Postcode **E C 1 M 4 J N**

Country

DX

Telephone **020 7549 8050**

**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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

**TO ALL MEMBERS AND KNOWN CREDITORS**

Our ref: JT/TOU003MS

8 December 2021

Dear Sirs

## **Tough Mudder Ltd – In Creditors’ Voluntary Liquidation (“the Company”)**

As you are aware, Andrew Pear and I were appointed Joint Liquidators of the Company on 3 December 2020, following the Company’s conversion from Administration to Liquidation. I have prepared my first annual progress report on the Company for the period 3 December 2020 to 2 December 2021 (the reporting period). Statutory information regarding the Company is attached at ***Appendix I***.

The Liquidators have acted jointly and severally in all matters relating to the Liquidation. This report should be read in conjunction with my previous reports, copies of which are available on request. Further information can also be found at [www.creditorinsolvencyguide.co.uk](http://www.creditorinsolvencyguide.co.uk) which is designed to provide creditors with a step by step guide to the insolvency process.

## **CONDUCT OF LIQUIDATION**

There are no matters to report to creditors that occurred between the Administrators’ final report and the commencement of the Liquidation. Please refer to previous reports for a detailed history of the Company and events leading up to the Administration.

During this reporting period the Liquidators have attended to all statutory obligations, including but not limited to, filing statutory notices, dealing with all tax submissions, realising Company assets, adjudicating and paying preferential creditors in full, adjudicating unsecured claims to pay an interim dividend and issuing reports to members and creditors. In addition, investigations have continued into actions taken in the lead up to the Administration and solicitors have been instructed to take legal action. Further details are provided in this report.

Before the Liquidation can be closed the Company’s remaining assets need to be realised, including the pursuit of legal claims. An interim distribution to unsecured creditors will be made in the next reporting period.

## **RECEIPTS AND PAYMENTS ACCOUNT**

A receipts and payments account for the reporting period is attached at ***Appendix II*** and shows a balance on

hand of £647,162. Estate funds were banked into a designated non-interest bearing estate account and the account has been reconciled to required financial records.

A receipts and payments account is also attached for the period from the final account in the Administration and the date of conversion to Liquidation. The only movements during this period were the payment of Administrators' remuneration as reported to creditors and the transfer of the cash at hand and VAT balances to the Liquidation estate.

## **ASSETS**

### **Administration transfers**

In this reporting period the closing balance of funds held in the Administration have been transferred to the Liquidation estate and the final Administration VAT refund has been received.

### **Book debts**

A final dividend payment has been received from the Administration of Bentley Harrington Limited t/as UNILAD. As claims have been paid in full it is anticipated that statutory interest will also be paid prior to the closure of the Administration.

### **Intercompany loans**

The Company was owed circa £9.4m in intercompany loans, however, the only likely recovery was from the US parent, which is also in insolvency proceedings. Dividend prospects are dependent on the outcome of the US Trustee's investigations and it was recently reported that legal proceedings in the US have commenced against some of the former directors and shareholders. This will continue to be monitored and a claim for £8.3m has been submitted in the US proceedings in the event a distribution is available.

## **LIABILITIES**

### **Secured creditor**

HSBC UK plc held a fixed charge over certain cash deposits relating to credit card payments. The bank has confirmed no monies are outstanding and all accounts have been closed.

### **Preferential creditors**

Under the terms of the sale agreement, all employees of the Company were transferred to the purchaser under the Transfer of Undertakings (Protection of Employment) Regulations 2006.

In this reporting period all preferential claims have been adjudicated and paid in full, this totalled £1,777 and included capped wages owed to the former managing director and the preferential balance of outstanding pension contributions.

### **Unsecured creditors**

Unsecured claims received to date total £4.1m and have been adjudicated for dividend purposes. This includes an outstanding loan to the Company's wholly owned subsidiary, Tough Mudder GmbH – In Liquidation and the unsecured element of wages owed to the former managing director and outstanding pension contributions. It also includes a claim totalling £101,433 from HM Revenue and Customs ("HMRC") and work is being undertaken to submit tax returns for periods where assessments have been made, which might reduce HMRC's overall claim.

An interim dividend to unsecured creditors is expected to be paid in the next reporting period.

## **DIVIDENDS**

The following distribution was made to preferential creditors:

<b>Date</b>	<b>Amount of Distribution</b>	<b>Rate of Distribution</b>
20 August 2021	£1,776.51	100 pence in the £

A notice of intended dividend was sent to all known unsecured creditors who have not yet proved in the Liquidation and it was published in the London Gazette. The last date for proving is 16 December 2021 and an initial dividend will be paid to unsecured creditors within two months of that date.

## **PRESCRIBED PART**

The Prescribed Part Fund is created out of the Company's net floating charge property pursuant to Section 176A of the Insolvency Act 1986, as long as the floating charge was registered later than 15 September 2003.

As previously advised, there is no floating charge registered after 15 September 2003 and therefore the prescribed part does not apply.

## **JOINT LIQUIDATORS' INVESTIGATIONS**

Under the insolvency legislation, the Liquidators have a duty to consider the conduct of those persons who have been directors of the Company, shadow directors or de facto directors at any time within three years preceding the Liquidation and consider whether any civil proceedings should be taken. An initial investigation was undertaken in the Administration into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking into account public interest and the potential recoveries and costs involved and a confidential report was submitted to the Secretary of State. A further report will be submitted in the Liquidation if further information comes to light.

Solicitors have been instructed to consider certain actions taken in the lead up to the Administration and advise on the appropriate legal action that should be taken. Given the confidential nature of these proceedings no further information can be provided at this time.

## **PRE-APPOINTMENT REMUNERATION**

The Joint Liquidators were appointed following the Company's conversion from Administration to Liquidation. The Administrators' outstanding timecosts have been paid in this reporting period in the sum of £629, together with final disbursements of £12, in respect of work carried out to close the Administration and as approved by creditors on 27 March 2020.

## **JOINT LIQUIDATORS' REMUNERATION**

The work estimated to be undertaken in the Liquidation was included in the fee estimate produced in the Administration and as such the Joint Liquidators' remuneration is fixed on the same basis, being by reference to time properly spent by them and their staff in attending to matters arising from the Liquidation of the Company.

A total of 156.5 hours have been spent during this reporting period at a cost of £44,673, resulting in an average hourly charge out rate of £285. This is compared to anticipated hours of 961 hours at an average hourly rate of £307 for the, which I estimated at the outset of the Administration for the whole period of the Administration and Liquidation. A summary of my time costs for this reporting period and the work undertaken is attached at **Appendix III**, together with a comparison to the original fee estimate approved by creditors and BM Advisory's policy on fees.

The Joint Liquidators' remuneration has been within the original fee estimate and I do not anticipate needing to seek an additional fee approval in this matter at this time, unless the legal proceedings are significantly protracted. I have drawn £41,535 plus VAT in this reporting period and based on the value of known assets I anticipate being able to draw my fees in full in line with my estimate.

A guide to fees can be found at [www.bm-advisory.com/resources/](http://www.bm-advisory.com/resources/) and provides information relating to Liquidators' remuneration. A hard copy is available on request.

Please note that a secured creditor, or unsecured creditor with the permission of the Court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), may request further details of the Joint Liquidators' remuneration and expenses, within 21 days of receipt of this report.

Furthermore, a secured creditor, or unsecured creditor with the permission of the Court or with the concurrence of 10% in value of the creditors (including the creditor in question), may apply to Court to challenge the amount and/or basis of the Joint Liquidators' fees and the amount of any proposed expenses or expenses already incurred, within eight weeks of receipt of this report.

## JOINT LIQUIDATORS' EXPENSES

The Joint Liquidators' estimated expenses were included in the Administrators' original estimate and as such are fixed on the same basis. Accordingly, category 2 expenses were agreed by creditors and are as detailed in my firm's policy on fees, attached at **Appendix III**. Category 1 expenses do not need approval and can be drawn at the Liquidators' discretion without authority.

Detailed below are the expenses I expected to incur during the Liquidation and what I have incurred in this reporting period, together with details of what has been paid in this period and what remains unpaid. A total of £1,951 expenses were incurred during the Administration.

		<b>Estimated total cost</b>	<b>Incurred in period</b>	<b>Paid during period</b>	<b>Remains unpaid</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Statutory advertising	Category 1	240.00	80.00	80.00	-
Printing	Category 2	123.00	9.00	-	9.00
Postage	Category 1	288.82	25.09	-	25.09
Subsistence and travel	Category 1	374.14	-	-	-
Conference calls	Category 1	20.00	-	-	-
Land Registry search	Category 1	3.00	-	-	-
Storage	Category 1	77.75	-	-	-
Bond	Category 1	900.00	-	-	-
Insurance	Category 1	450.00	-	-	-
<b>TOTAL</b>		<b>2,476.71</b>	<b>114.09</b>	<b>80.00</b>	<b>34.09</b>

During the Liquidation, I have instructed Capcon Limited (a tracing agent) and Pennington Manches Cooper LP (solicitors) to assist with the investigations into actions taken in the lead up to the Administration, understand the potential legal avenues available and start legal proceedings. Detailed below are the fee arrangements agreed in each instance and the costs incurred in this period, together with fees paid in this period and what remains unpaid. The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of this assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances.

	<b>Fee arrangement</b>	<b>Estimated total cost</b>	<b>Incurred in period</b>	<b>Paid during period</b>	<b>Remains unpaid</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Capcon Limited	Fixed fee	-	2,500.00	2,500.00	-
Penningtons Manches Cooper LLP	Time costs	-	41,362.50	41,362.50	-

The expenses incurred have not exceeded the estimate previously given to creditors and I do not anticipate that they will exceed the original estimate. Fees for professional services in relation to legal claims being pursued were not anticipated at the outset of the appointment and the future costs cannot be estimated at this time until more details of how the legal claim(s) to be pursued will progress.

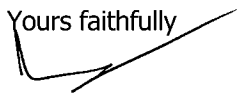
## SUMMARY

I shall report again on the next anniversary of my appointment, or the closure of the Liquidation, whichever is sooner.

During the course of the Liquidation, I am required to hold certain personal data about creditors in order to process any creditor claims. This data will only be processed and held to comply with my obligations as Liquidator. BM Advisory's Data Compliance Manager is responsible for how personal data information is handled and in this matter they have nominated Michael Solomons to control the data received. Information about our privacy policy can be found at [www.bm-advisory.com/about/legals-compliance/](http://www.bm-advisory.com/about/legals-compliance/).

Information about our privacy policy, complaints procedure, Professional Indemnity insurance and the Provision of Services Regulations, can be found at [www.bm-advisory.com/about/legals-compliance/](http://www.bm-advisory.com/about/legals-compliance/). If you have any queries regarding this report, please contact Julie Thatcher of this office on 020 7549 8007 or email [julie.thatcher@bm-advisory.com](mailto:julie.thatcher@bm-advisory.com).

Yours faithfully



**Michael Solomons**  
Joint Liquidator



**STATUTORY INFORMATION**

Company name:	Tough Mudder Limited
Registered office:	82 St John Street, London, EC1M 4JN
Former registered office:	125 Wood Street, London, EC2V 7AW
Former trading address:	Piano House, 9 Brixton Terrace, Brixton, London, SW9 8DJ
Registered number:	07202563
Joint Liquidators' names:	Michael Solomons and Andrew Pear
Joint Liquidators' address:	82 St John Street, London, EC1M 4JN
Liquidators' date of appointment:	3 December 2020 (Administrators appointed 24 January 2020)

**Tough Mudder Ltd  
(In Liquidation)  
Joint Liquidators' Summary of Receipts & Payments**

<b>Statement of Affairs £</b>		<b>From 03/12/2020 To 02/12/2021 £</b>	<b>From 24/01/2020 To 02/12/2021 £</b>
	ASSET REALISATIONS		
10,756.37	ADM VAT refund	10,756.37	10,756.37
738,582.68	Balance of funds from Administration	738,582.68	738,582.68
Uncertain	Book debts	540.00	540.00
Uncertain	Intercompany loans	NIL	NIL
		749,879.05	749,879.05
	COST OF REALISATIONS		
	Agents' fees	2,500.00	2,500.00
	Joint Administrators' expenses	11.56	11.56
	Joint Administrators' fees	629.00	629.00
	Joint Liquidators' fees	41,535.00	41,535.00
	Legal fees	41,362.50	41,362.50
	Rates	41.27	41.27
	Statutory advertising	80.00	80.00
		(86,159.33)	(86,159.33)
	PREFERENTIAL CREDITORS		
(800.00)	Former employees	450.70	450.70
(2,627.00)	Pension scheme	1,325.81	1,325.81
		(1,776.51)	(1,776.51)
	UNSECURED CREDITORS		
(21,460.00)	Former employees	NIL	NIL
(101,433.00)	HMRC	NIL	NIL
(3,526,588.00)	Intercompany loan - TM GER	NIL	NIL
(582,289.70)	Trade & expense creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
<b>(3,485,958.65)</b>		<b>661,943.21</b>	<b>661,943.21</b>
	REPRESENTED BY		
	Estate account - non interest bearing		647,161.71
	VAT control account		14,781.50
			<b>661,943.21</b>

**Tough Mudder Ltd  
(In Administration)  
Joint Administrators' Trading Account**

Statement of Affairs £	From 14/11/2020 To 03/12/2020 £	From 24/01/2020 To 03/12/2020 £
POST APPOINTMENT SALES		
Corporate ticket sales	NIL	5,908.31
Ticketsales	NIL	166,666.67
	NIL	172,574.98
OTHER DIRECT COSTS		
Sub Contractors	NIL	11,724.52
Wages	NIL	54,542.27
Staff expenses	NIL	1,547.52
Payroll services	NIL	575.07
	NIL	(68,389.38)
TRADING EXPENDITURE		
BID Levy	NIL	259.08
Rates	NIL	10,207.90
Storage	NIL	11,727.63
Electricity	NIL	146.74
Insurance	NIL	322.32
Bank charges	NIL	150.00
Paid media/rebuilds	NIL	13,000.00
Shipping costs	NIL	5,748.76
Pension contributions	NIL	5,489.30
PAYE/NIC/Student loans/SMP	NIL	15,184.60
	NIL	(62,236.33)
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>NIL</b>	<b>41,949.27</b>

**Tough Mudder Ltd**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 14/11/2020 To 03/12/2020 £	From 24/01/2020 To 03/12/2020 £
	<b>ASSET REALISATIONS</b>		
120,673.00	Book debts	NIL	120,673.00
	Book debts (excl. from APA)	NIL	2,160.00
415,624.00	Business contracts	NIL	415,624.00
54,267.25	Cash at bank	NIL	53,396.41
	Deposit refunds	NIL	1,264.56
10,000.00	Goodwill	NIL	10,000.00
500.00	Intellectual property rights	NIL	500.00
Uncertain	Intercompany loans	NIL	NIL
1.00	Leasehold consent	NIL	1.00
5,700.00	Office furniture & equipment	NIL	5,700.00
	Pre-apt VAT refund	NIL	153,160.15
114,543.00	Rent deposit	NIL	NIL
1.00	Seller's records	NIL	1.00
1.00	Share option (Tough Mudder GmbH)	NIL	1.00
162,500.00	Sponsorship contract receivables	NIL	162,500.00
85,000.00	Stock and obstacle equipment	NIL	85,000.00
	Trading Surplus/(Deficit)	NIL	41,949.27
		NIL	1,051,930.39
	<b>COST OF REALISATIONS</b>		
	Agents' disbursements	NIL	445.00
	Agents' fees	NIL	12,250.00
	Bank charges	NIL	25.00
	BM Advisory pre-appointment disbs	NIL	280.05
	BM Advisory pre-appointment fees	NIL	13,114.10
	Insurance	NIL	28.36
	Joint Administrators' expenses	55.52	1,643.79
	Joint Administrators' fees	7,500.00	188,288.00
	Legal disbursements	NIL	596.67
	Legal fees	NIL	62,236.98
	Pre-appointment legal disbursements	NIL	20.72
	Pre-appointment legal fees	NIL	11,234.50
	Rent	NIL	11,708.17
	Surveyors' fees	NIL	720.00
	Transfer to Liquidation estate	738,582.68	738,582.68
	VAT to be collected in CVL	10,756.37	10,756.37
		(756,894.57)	(1,051,930.39)
	<b>PREFERENTIAL CREDITORS</b>		
(800.00)	Former employees	NIL	NIL
(2,627.00)	Pension schemes	NIL	NIL
		NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(21,460.00)	Former employees	NIL	NIL
(101,433.00)	HMRC	NIL	NIL
(3,526,588.00)	Intercompany loan - TM GER	NIL	NIL
(552,289.70)	Trade & expense creditors	NIL	NIL
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(100.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
<b>(3,236,487.45)</b>		<b>(756,894.57)</b>	<b>(0.00)</b>
	<b>REPRESENTED BY</b>		

**Tough Mudder Ltd**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

<b>Statement of Affairs £</b>	<b>From 14/11/2020 To 03/12/2020 £</b>	<b>From 24/01/2020 To 03/12/2020 £</b>
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REPRESENTED BY CONTINUED

**NIL**

**TOUGH MUDDER LTD - IN LIQUIDATION**

Summary of work undertaken during the period 3 December 2020 to 2 December 2021

Task	ORIGINAL ESTIMATE			WHOLE PERIOD OF ADMINISTRATION			REPORTING PERIOD - LIQUIDATION			TOTAL		
	Estimated hours hrs	Estimated cost £	Average charge out rate £									
Administration and planning	88.50	18,122.50	204.77	65.60	11,759.00	179.25	18.10	3,840.00	212.15	83.70	15,599.00	186.37
Statutory compliance	423.70	130,812.50	308.74	155.00	37,595.50	242.55	29.80	7,426.50	249.21	184.80	45,022.00	243.63
Investigations	102.50	28,777.50	280.76	42.50	8,995.00	211.65	19.80	7,457.00	376.62	62.30	16,452.00	264.08
Asset realisations	107.30	39,603.00	369.09	154.00	51,930.00	337.21	0.40	133.50	333.75	154.40	52,063.50	337.20
Trading	136.50	50,035.00	366.56	144.40	51,539.50	356.92	-	-	-	144.40	51,539.50	356.92
Creditors	102.50	27,891.00	272.11	88.50	26,957.00	304.60	88.40	25,815.50	292.03	176.90	52,772.50	298.32
<b>TOTAL</b>	<b>961.00</b>	<b>295,241.50</b>	<b>307.22</b>	<b>650.00</b>	<b>188,776.00</b>	<b>290.42</b>	<b>156.50</b>	<b>44,672.50</b>	<b>285.45</b>	<b>806.50</b>	<b>233,448.50</b>	<b>289.46</b>

A summary of the work undertaken in this reporting period is detailed below and was required to be undertaken to deal with the specific circumstances of the case, as well as meet our statutory duties and obligations:

**ADMINISTRATION AND PLANNING**

Strategy & planning - devising an appropriate strategy for dealing with the case and giving instructions to staff.

Opening, maintaining and managing the officeholders' estate bank accounts.

Creating, maintaining and managing the officeholders' cashbooks.

Undertaking regular reconciliations of the officeholders' estate bank accounts.

**STATUTORY COMPLIANCE**

Setting up physical/electronic case files.

Setting up the case on insolvency practice management software and inputting necessary data.

Dealing with all correspondence and emails relating to the case.

Delivering statutory notifications to creditors and others as required on appointment, including advertising the officeholders' appointment in the Gazette.

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.

Preparing, reviewing and issuing progress reports to creditors and members.

Filing returns at Companies House and/or Court (as applicable).

Preparing and filing VAT returns.

Preparing and filing Corporation Tax returns.

**INVESTIGATIONS**

Extensively liaising with solicitors and reviewing records to investigate certain actions taken in the lead up to the Administration and considering legal options.

Liaise with a trading agent and commission a report.

**ASSET REALISATIONS**

Realising pre appointment debtor balances.

**CREDITORS**

Corresponding with employees regarding their claims.

Liaising with the Redundancy Payments Office regarding employee claims.

Reviewing proofs of debt received from preferential creditors, adjudicating on them and formally admitting them for the payment of a dividend.

Requesting additional information from preferential creditors in support of their proofs of debt in order to adjudicate on their claims.

Calculating and paying a dividend to preferential creditors, and issuing the notice of declaration of dividend.

Dealing with all creditor correspondence, emails and telephone conversations regarding their claims.

Maintaining up to date creditor information on the insolvency practice management system.

Issuing a notice of intended dividend to unsecured creditors, and advertising notice of intention to pay a dividend to unsecured creditors in the Gazette.

Reviewing proofs of debt received from unsecured creditors, adjudicating on them and formally admitting them for the payment of a dividend.

Requesting additional information from unsecured creditors in support of their proofs of debt in order to adjudicate on their claims.

**Notes:**

- 'Administration and planning' represents the work involved in the routine administrative functions of the case. It does not give direct financial benefit to the creditors, but has to be undertaken to meet our statutory requirements and obligations under the insolvency legislation and the Statements of Insolvency Practice.

- 'Statutory compliance and reporting' represents the work involved in the statutory functions of the case, together with the necessary control and supervision by senior staff. It does not give direct financial benefit to the creditors, but has to be undertaken to meet our statutory obligations.

- 'Investigations' represents the work required to comply with our statutory obligations and has no direct financial benefit to creditors unless there are potential recovery actions identified. Details of the investigations undertaken and outcomes are set out in the report.

- 'Asset realisation' represents the work required to be undertaken to realise the known assets in the case for the benefit of the creditors, details of which are set out in the report.

- 'Creditors' represents the work required to deal with the various creditors of the Company and maintain records of each claim. All queries and correspondence are dealt with as part of our statutory obligations.

## BM ADVISORY

### STATEMENT OF POLICY ON FEES

#### Introduction

This statement has been prepared in accordance with guidelines set out in Statement of Insolvency Practice 9 issued by the Association of Business Recovery Professionals (R3). The following information applies to all appointments of partners, directors, consultants or staff of BM Advisory, to act as any of the following:-

Liquidator, Receiver, Administrator or Administrative Receiver of a Limited Company or Limited Liability Partnership  
Trustee in Bankruptcy  
Supervisor of an Individual, Company or Partnership Voluntary Arrangement  
Administrator under the Insolvent Estates Order

When acting as Nominee, the provisions of the Insolvency Act 1986 ("the Act") require that the amount of the fees payable to the office holder be specified within the Debtor's proposals. Such fees will nevertheless be fixed to take account of the office holder's expected time costs arising as referred to below.

#### Policy on fees

In accordance with the Act, the office holder may seek approval of their remuneration either on a fixed fee basis, on a percentage basis or on a time costs basis. When an office holder's fees are approved by reference to time costs, they will be charged at the firm's usual rates applicable at the time the work is carried out. Rates may be varied from time to time, at the sole discretion of BM Advisory, and such changes will be notified in retrospect with each report to Creditors. It is the policy of BM Advisory to use as junior grade of staff as compatible with the efficient conduct of the matter in order to ensure costs are kept to a minimum. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken. Where an office holder's fees are approved on a percentage of realisations and/or a fixed fee basis the direct costs (such as staff costs, costs of case management system etc.) incurred in undertaking that work will be included in the remuneration and will not separately recover sums already included in the fixed fee or percentage basis.

As at 1 March 2020 the hourly rates applicable are:

Grade	£
Partner 1	430
Partner 2	380
Associate Director	360
Senior Manager	340
Manager	310
Assistant Manager	285
Senior Administrator	240
Administrator	185
Junior Administrator	125
Cashier	115
Support staff	85

Rates vary between individuals, reflecting experience and qualification. For certain more complex tasks, BM Advisory may seek to apply a higher rate in respect of work undertaken, but subject to prior authorisation in accordance with the Act. Further information on the manner in which an office holder's fees may be fixed, can be found in the guidance notes on our website: [www.bm-advisory.com/resources/](http://www.bm-advisory.com/resources/).

#### Expenses

Expenses are any payments from the insolvent estate that are neither the office holder's remuneration nor a distribution to members/creditors. Expenses also include disbursements that are payments that are first paid by the office holder and then reimbursed from the insolvent estate.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the case or BM Advisory; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the case. These expenses are recoverable in full from the case without the prior approval of creditors either by a direct payment from the case or, where BM Advisory has made payment on behalf of the case, by a recharge of the amount invoiced by the third party. Examples of category 1 expenses are professional advisors (that are not associates), statutory advertising, external meeting room hire (specifically for that case), external storage and specific bond insurance.

Category 2 expenses are either payments to associates or costs incurred by BM Advisory that have an element of shared costs and recharged to the case. These expenses are recoverable in full from the case, subject to the basis of the disbursement charge being approved by creditors in advance. It is proposed that the following category 2 disbursements are recovered:

Mileage (per mile)	at the HMRC approved mileage rate at the time the mileage was incurred
Photocopying/printing (per sheet)	£0.15

Professional advisors such as lawyers, agents, pension specialists may be instructed to assist the office holder on a case where such assistance is considered necessary to properly administer the case. The fees charged will be recharged at cost to the case. Where the professional advisor is not as associate of the office holder it will be for the office holder to agree the basis of the fees charged. Where the professional advisor is an associate of the office holder, those responsible for fixing the basis of the office holder's remuneration will be responsible for approving payments to the professional advisors.