

# 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 8 4 7 5 8 3 5

Company name in full Northumberland Leisure Limited t/a Crackers Soft Play

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Chris

Surname Ferguson

### 3 Liquidator's address

Building name/number RMT

Street Gosforth Park Avenue

Post town Newcastle Upon Tyne

County/Region Tyne and Wear

Postcode N E 1 2 8 E G

Country

### 4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator  
Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator  
Use this section to tell us about  
another liquidator.

LIQ03

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**6** Period of progress report

From date	<sup>d</sup> 2	<sup>d</sup> 7	<sup>m</sup> 0	<sup>m</sup> 7	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0
To date	<sup>d</sup> 2	<sup>d</sup> 6	<sup>m</sup> 0	<sup>m</sup> 7	<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> 1	<sup>d</sup> 7	<sup>m</sup> 0	<sup>m</sup> 8	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1
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LIQ03

Notice of progress report in voluntary winding up



**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 Christopher John Ferguson

Company name RMT Accountants and Business  
Advisors Ltd

Address Gosforth Park Avenue  
Newcastle Upon Tyne

Post town NE12 8EG

County/Region

Postcode

Country

DX

Telephone 0191 256 9500



**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.



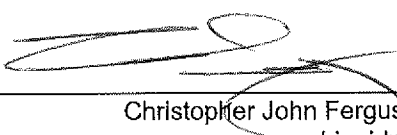
**Further information**

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)

**Northumberland Leisure Limited t/a Crackers Soft Play  
(In Liquidation)  
Liquidator's Summary of Receipts & Payments**

Statement of Affairs £	From 27/07/2020 To 26/07/2021 £	From 27/07/2017 To 26/07/2021 £
<b>ASSET REALISATIONS</b>		
	0.76	18.70
	NIL	10,086.81
51.00	NIL	1,000.00
221.00	NIL	200.00
	NIL	240.00
	0.76	11,545.51
<b>COST OF REALISATIONS</b>		
	NIL	302.50
	NIL	112.00
	NIL	186.08
	NIL	145.00
	NIL	6,000.00
	NIL	84.60
	89.50	89.50
	(89.50)	(6,919.68)
<b>UNSECURED CREDITORS</b>		
(10,000.00)	NIL	NIL
(113,052.35)	NIL	NIL
(5,986.32)	NIL	NIL
	NIL	NIL
<b>DISTRIBUTIONS</b>		
(100.00)	NIL	NIL
	NIL	NIL
<b>(128,866.67)</b>	<b>(88.74)</b>	<b>4,625.83</b>
<b>REPRESENTED BY</b>		
Interest Bearing Account		4,625.83
		<b>4,625.83</b>

  
Christopher John Ferguson  
Liquidator

**NORTHUMBERLAND LEISURE LIMITED T/A CRACKERS SOFT PLAY – IN CREDITORS' VOLUNTARY LIQUIDATION**

**LIQUIDATOR'S PROGRESS REPORT TO CREDITORS AND MEMBERS**

**FOR THE PERIOD 27 JULY 2020 TO 26 JULY 2021**

**STATUTORY INFORMATION**

Company name:	Northumberland Leisure Limited t/a Crackers Soft Play
Registered office:	RMT Gosforth Park Avenue Newcastle NE12 8EG
Former registered office:	Hadrian Business Park Haltwhistle Northumberland NE49 0EX
Registered number:	08475835
Liquidator's name:	Linda Farish (27 July 2017 to 4 June 2020) Christopher Ferguson (4 June 2020)
Liquidator's address:	RMT Gosforth Park Avenue, Newcastle Upon Tyne, NE12 8EG
Liquidator's date of appointment:	27 July 2017 (Chris Ferguson 4 June 2020)

**LIQUIDATORS' ACTIONS SINCE LAST REPORT**

I have continued to investigate the position with regard to the associated Companies as detailed later in this report.

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 27 July 2020 to 26 July 2021 is attached at Appendix 2. All amounts are shown net of VAT. I have reconciled the account against the financial records that I am required to maintain.

The balance of funds are held in an interest bearing estate bank account.

**LIABILITIES**

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has no current charges over its assets.

The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder should be ring-fenced for distribution to unsecured creditors. In this case there were no creditors secured by a floating charge such that the prescribed part provisions do not apply.

#### Preferential Creditors

There were no employee claims in this matter as all of the employees transferred to a new Company trading from the premises.

#### Crown Creditors

The statement of affairs included £113,052 owed to HMRC, of which £100,628 in respect of VAT was estimated for Statement of Affairs purposes. Prior to appointment of the current director, the former directors of the Company had not registered the Company for VAT once the Company's taxable turnover had reached the threshold level. The Company has not paid any VAT since incorporation.

The Company has been registered for VAT and HMRC has estimated that the VAT liability for the period 1 October 2014 to 11 July 2017 is approximately £40,181.72.

HMRC's final claim of £14,307.62 has been received in respect of the PAYE liability.

#### Non-preferential unsecured Creditors

The statement of affairs included 4 unsecured creditors with an estimated total liability of £15,986.32. I have received claims from 3 creditors at a total of £15,633.68. To date I have not received a claim from 1 creditor with an original estimated claim in the statement of affairs of £352.64.

### **DIVIDEND PROSPECTS**

Unsecured Creditors – At present no funds are available to enable a dividend payment to the unsecured creditors.

### **INVESTIGATION INTO THE AFFAIRS OF THE COMPANY**

As detailed in my previous reports, the 2015 accounts for the Company described debts due from associated Companies under the control of the former director/shareholders. The 2016 accounts included a note that, together with other intercompany transactions, costs were recharged to the Company such that those debts were effectively settled.

The Company's accountants have advised that they are unable to provide any information with regard to the above transactions. Having attempted to obtain this information from the directors without success, I have approached a litigation funder and they are considering whether they are prepared to fund further investigation work in relation to this matter.

Matters requiring further investigation that may lead to potential recovery actions have been identified, and the work outlined above was undertaken to further those investigations with a view to making recoveries for the benefit of the creditors.

### **PRE-APPOINTMENT REMUNERATION**

The creditors previously authorised the payment of a fee of £6,000 for my assistance with preparing the statement of affairs and arranging the decision procedure for creditors to appoint a liquidator on 27 July 2017.

The fee for preparing the statement of affairs and arranging the decision procedure for creditors to appoint a liquidator was paid from first realisations on appointment and is shown in the enclosed receipts and payments account.

## LIQUIDATOR'S REMUNERATION

My remuneration was approved on a mixture of a time cost basis, as a fixed fee and a percentage of realisations.

I was authorised to draw time costs for my work in respect of Investigations and Creditors. This approval was based on my fees estimate of £4,635.00. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors. My total time costs for such work to 26 July 2021 amount to £3,699.00, representing 19.20 hours of work at a blended charge out rate of £192.00 per hour, of which £980.00, representing 5.20 hours of work, was charged in the period since 26 July 2020, at a blended charge out rate of £188.46 per hour. The blended average charge out rate incurred compares with the estimated blended charge out rate of £201.52 in my fees estimate.

I have not drawn any remuneration in respect of work done for which my fees were approved on a time cost basis.

I was also authorised to draw a fixed fee of £10,000.00 for my work in respect of Statutory Administration and Planning.

I have not drawn any remuneration in respect of work done for which my fees were approved as a fixed fee.

I was also authorised to draw 10% of realisations for my work in respect of the realisation of the Company's assets. Based on realisations I achieved I am entitled to remuneration of £1,154.55.

I have not drawn any remuneration in respect of work done for which my fees were approved as a percentage of realisations.

A detailed schedule of my time costs incurred to date and since 26 June 2020 compared with my original fees estimate is attached as Appendix 3.

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 Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at <https://www.r3.org.uk/what-we-do/publications/professional/fees>. There are different versions of these Guidance Notes, and in this case please refer to the most recent version. Please note that we have also provided further information about an office holder's remuneration and expenses in our practice fee recovery sheet, which is enclosed at Appendix 4.

## LIQUIDATOR'S EXPENSES

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Expenses are split into:

- category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
- category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an office holder's remuneration.

I have incurred total expenses of £631.38, of which I incurred £37.00 in the period since 26 July 2020. I have drawn £382.68 to 26 July 2021, of which £Nil was drawn in the period since 26 July 2020.

I have not used any professional advisors in the reporting period.

I have incurred the following expenses in the period since the last progress report:

Type of expense	Amount incurred/ accrued in the reporting period
Aon - Bond	£15.00
Land Registry Search	£22.00

Details of the category 1 expenses that I have paid to date and in the reporting period are included in the receipts and payments account attached.

Nature of expense	Estimated expenses	Expenses incurred to date
Marsh UK Ltd – Bond	£20.00	£35.00
Marsh UK Ltd – Insurance	£100.00	£112.00
Courts – Advertising	£287.60	£253.80
Oasis – Storage of Records	£120.00	£Nil
Hopwood – Vat Advice	£Nil	£22.50
Powwownow – Conference Call	£Nil	£1.08
Mail Re-Direction	£Nil	£185.00
Land Registry – Searches	£Nil	£22.00
<b>Total</b>	<b>£527.60</b>	<b>£631.38</b>

As at 26 July 2020 then, as you can see from the information provided in this report, the expenses I have incurred in this matter have exceeded the total expenses I estimated I would incur when my remuneration was authorised by the creditors. The principal reasons for exceeding expenses estimate is that we did not anticipate the necessity to re-direct the Company's post, seek VAT advice or carry out Land Registry searches.

#### **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 Liquidator's 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 Liquidator as being excessive, and/or the basis of the Liquidator's 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 RMT Accountants and Business Advisors Ltd can be found at [www.r-m-t.co.uk](http://www.r-m-t.co.uk).

#### **SUMMARY**

The Liquidation will remain open until my investigations regarding the associated company transactions have been concluded. I estimate that this will take approximately 6 month 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 Vanessa Ferguson on 0191 256 9500, or by email at [Vanessa.Ferguson@r-m-t.co.uk](mailto:Vanessa.Ferguson@r-m-t.co.uk).

**Christopher John Ferguson - 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 has to 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.

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- 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.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

### 1. Creditors

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.

**Northumberland Leisure Limited t/a Crackers Soft Play**  
**(In Liquidation)**  
**Liquidator's Summary of Receipts & Payments**

Statement of Affairs £	From 27/07/2020 To 26/07/2021 £	From 27/07/2017 To 26/07/2021 £
	<b>ASSET REALISATIONS</b>	
	Bank Interest Gross	18.70
	Cash in hand	10,086.81
51.00	Plant & Machinery	1,000.00
221.00	Stock/WIP	200.00
	Trading Name & Telephone	240.00
	<u>0.76</u>	<u>11,545.51</u>
	<b>COST OF REALISATIONS</b>	
	Agents/Valuers Fees	302.50
	Insurance of Assets	112.00
	Office Holders Expenses	186.08
	Payroll Expenses	145.00
	Preparation of S. of A.	6,000.00
	Statutory Advertising	84.60
	VAT - Irrecoverable	89.50
	<u>89.50</u>	<u>89.50</u>
	(89.50)	(6,919.68)
	<b>UNSECURED CREDITORS</b>	
(10,000.00)	Associated Creditors	NIL
(113,052.35)	HMRC	NIL
(5,986.32)	Trade & Expense Creditors	NIL
	<u>NIL</u>	<u>NIL</u>
	<b>DISTRIBUTIONS</b>	
(100.00)	Ordinary Shareholders	NIL
	<u>NIL</u>	<u>NIL</u>
<u>(128,866.67)</u>	<u>(88.74)</u>	<u>4,625.83</u>
	<b>REPRESENTED BY</b>	
	Interest Bearing Account	4,625.83
		<u>4,625.83</u>

  
 Christopher John Ferguson  
 Liquidator

RMT

Time & Chargeout Summaries  
27 July 2017 to 26 July 2021  
Northumberland Leisure Ltd t/a Crackers Soft Play

Classification of work function

Classification of work function	ESTIMATED			ACTUAL		
	Total Hours	Time Cost £	Average Hourly Rate £	Total Hours	Time Cost £	Average Hourly Rate £
Investigations	9.50	2,110.00	222.11	15.00	2,857.00	190.47
Creditors	13.50	2,525.00	187.04	4.20	842.00	200.48
Total	23.00	4,635.00		19.20	3,699.00	

27 July 2020 to 26 July 2021  
Northumberland Leisure Ltd t/a Crackers Soft Play

Classification of work function

Classification of work function	ESTIMATED			ACTUAL		
	Total Hours	Time Cost £	Average Hourly Rate £	Total Hours	Time Cost £	Average Hourly Rate £
Investigations	9.50	2,110.00	222.11	5.20	980.00	188.46
Creditors	13.50	2,525.00	187.04	0.00	0.00	0.00
Total	23.00	4,635.00		5.20	980.00	

**PRACTICE FEE RECOVERY POLICY FOR RMT ACCOUNTANTS & BUSINESS ADVISORS LTD****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 via a decision procedure, 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 <https://www.r3.org.uk/what-we-do/publications/professional/fees>. Alternatively, a hard copy may be requested from RMT Accountants & Business Advisors Ltd of Gosforth Park Avenue, Newcastle upon Tyne, NE12 8EG. 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.

**Time cost 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.

**Chargeout Rates**

<b>Grade of staff</b> Recovery & Insolvency	<b>Current charge-out rate</b> <b>per hour, effective from</b> <b>1<sup>st</sup> January 2021</b> <b>£</b>	<b>Current charge-out rate</b> <b>per hour, effective from</b> <b>1<sup>st</sup> July 2020</b> <b>£</b>
Director	310.00	310.00
Appointee	310.00	290.00
Manager	260.00	260.00
Senior Administrator	180.00	180.00
Junior Administrator	120.00	120.00

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.

<b>Grade of staff</b> Tax Department	<b>Current charge-out rate</b> <b>per hour, effective from</b> <b>1<sup>st</sup> January 2021</b> <b>£</b>	<b>Current charge-out rate per</b> <b>hour, effective from</b> <b>1 July 2019</b> <b>£</b>
Director	250.00	220.00
Head of Tax	100.00	88.00
Tax Advisor	70.00	50.00

These charge-out rates charged are reviewed on 1<sup>st</sup> July 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 now only seek time costs for the following categories:

- Investigations
- Distributions
- Trading

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 RMT Accountants & Business Advisors Ltd; 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.

It is proposed that the following Category 2 disbursements are recovered:

Mileage at HMRC rates