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# TECHNICAL UPDATE

## ADM and Security

In the Scottish case of [Re Methodist Homes \[2025\] CSOH 2](#) an application was made by an administrator upon identifying that not all secured creditors had approved the administration extension. In this case, the secured creditors were for small amounts and not registered at Companies House. The court, in the circumstances made a retrospective administration order.

## ADM & Limitation

In the case of [Contract Natural Gas Ltd v ZOG Energy Ltd \[2025\] EWHC 86 \(Ch\)](#) the court considered whether, for the purpose of limitation, time stopped running on claims when a company entered Administration. The judge determined “the making of an administration order under the post-Enterprise Act regime does not stop time running so far as limitation is concerned”.

## Application to sell fixed charge assets in ADM

In the case of [Kennedy and others v Fonds Rusnano Capital SA \[2025\] EWHC 112 \(Ch\)](#) the administrator applied to court to to sell the fixed charge assets under para 71 Sch B1, since the fixed charge holder would not approve the sale. The court held that the sale met the para 71 criteria and agreed costs of the sale to be deducted from the fixed charge realisations.

## Fees estimate required when court fixing fees

In the case of [Poxon v Wejo Ltd \(In Administration\) \[2025\] EWHC 135 \(Ch\) \(27 January 2025\)](#) the judge would not make a determination in respect of fees sought, without being provided with the estimate previously produced and circulated, despite being given up to date detailed time records with narrative.

## Insolvency Litigation

[The Civil Procedure \(Amendment\) Rules 2025 SI 2025/106](#) comes into force on 6 April 2025 and as a consequence the [179th Practice Direction Amendments](#) come into force on 6 April 2025. The [Pre-Action Protocol for Judicial Review](#) was also updated.

## Increases in Court fees

There will be [increases in court and tribunal fees](#) from 1 April 2025 as well as some decreases.

## Special Administration of Water Companies

[The Water \(Special Measures\) Act 2025](#) came partially into force on 24 February 2025 with the remainder on 24 April 2025.

## Northern Ireland (NI) RPB

[The Insolvency Practitioners \(Recognised Professional Bodies\) \(Revocation of Recognition\)](#)

## Compliance Corner

There are some common issues arising on RPB visits, and I thought it would be helpful to detail what we think the RPBs expect to see documented.

### [COVID and government funding investigations](#)

You need to obtain documents and evidence your analysis of:

#### Furlough

- Were there any discrepancies between the number of staff employed and the number of staff the company made claims for in respect of furlough funds?
- How many members of staff were paid from funds received?
- Was the correct amounts of PAYE/NIC and pension contributions paid when the funds were received?
- When was payment of PAYE/NIC and pension contributions made?

#### Financial Support Scheme (BBL, CBILS, etc.)

- Analysis of bank statements from 2019 calculating turnover in the previous 12 months and payments made from funds received.
- Copy of the application.
- What level of turnover was on the application form compared to the amount of the loan?
- If the turnover was projected were the assumptions made reasonable in the circumstances?
- Was a dividend paid?
- Were there any excessive staff pay rises between 1/3/2020 and 30/09/2021?
- Were any of the funds used to pay a debt/loan against which the director held a personal guarantee?

Order (Northern Ireland) 2025 means that Chartered Accountants Ireland ceased to be a recognised body for IPs from 19 February 2025.

### NI Insolvency Legislation

There has been a consultation on the Northern Ireland insolvency legislation with a view to harmonising it with England and Wales' insolvency legislation. The consultation closed on 1 January 2025.

### Scottish Trustee in Bankruptcy

A new procedure has been introduced from 1 March 2025 to reflect the requirements of sections 131 and 132 of the Bankruptcy (Scotland) Act 2016. Information on the process may be found in Dear Trustee - Changes to trustee accounts process.

### Scottish consultation health moratorium

The Scottish government have launched a consultation: Debt Recovery (Mental Health Moratorium) (Scotland) Regulations - draft: consultation which closes on 17 March 2025.

### Financial Services Threat Assessment

HM Treasury have published Financial Services Threat Assessment February 2025.

### Financial Sanctions & IPs

Financial sanctions guidance for Insolvency Practitioners has been published, confirming the inclusion of IPs in identifying designated person(s) and whether they are not on the sanction list and reporting where appropriate.

the reporting obligations come into effect 14 May 2025.

### ICAS AML Regulatory Actions Guidance

ICAS have published some very helpful AML regulatory actions guidance, in particular Appendix 3 which details offences and indicative penalties.

### CT dates for Administrations

The Insolvency VAT Notice 700/56 manual has been updated to clarify CT return periods in Administration.

### HMRC Insolvency Bulletins

HMRC have now centralised their Insolvency Bulletins and these may now be accessed here.

### Dear IP

The latest Dear IP 166 is now available.

### Analysing bank statements

Prism 339 has continued in developing their offering to clients. We recently saw the enhancements, which include: multiple account analysis, compliance assistance, and stronger identification of antecedent transactions, but we are circulating to our readers to highlight the fact that Prism are currently offering free Open Banking codes to customers, allowing no obligation pre-appointment download of data to enable the necessary analysis for an IP to take on a case. An account with Prism is free, and incurs no obligation - see the training video inside app.prism339.com or enquire on their website for training.

### Compliance Corner - ctd

Where suspected fraud has been identified then the following needs to occur:

- Report to the Insolvency Service as part of the online CDDA report.
- If your investigation was not concluded until after this submission ensure the Insolvency Service have been informed with the new information.
- AML risk reassessed and consequences followed through.
- Notify the firm's MLRO of your money laundering suspicions and ask them to consider requesting a DAML where relevant.
- Having suspected criminality e.g. fraud in respect of COVID funds you will need to report in accordance with the guidance given in Dear IP 20 chapter 10, using the proforma.

### Submissions to the Redundancy Payments Office

#### RP14A

The emphasis from the RPBs has been ensuring that you have checked all data to be added to the RP14A against the books and records of the company and where you have not been able to verify against the books and records of the company, to notify the RPO.

#### RP15A

I know historically there have been issues obtaining information from pension providers, although some now seem to be responding promptly. The RPBs are expecting the submission of the RP15A in a timely manner. The RPBs also expect RP15A data to be verified against the company's records i.e. IPs should not be simply accepting what the pension providers tell them.

If you have outsourced the RP14A and RP15A, remember the onus remains with the IP to ensure accurate information is submitted in a timely manner.

Michelle has recorded a step by step webinar for clients on this area: "ERA Claims".



Joanne Harris has over 28 years' experience in insolvency dealing with all case types. She was formerly a Director of Technical and Compliance in a top 20 firm before starting her own business to supply technical services for insolvency practitioners without a compliance resource.

Joanne is also a partner of both The Compliance Alliance and JOH Consultancy which offer a range of services that may be tailored to an individual IP's needs.

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