

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company
Brown & Co (Electrical Engineers) Limited

Company number
00228005

In the The High Court of Justice, Birmingham District Registry
(full name of court)

Court case number
8027 of 2013

(a) Insert full name(s) and address(es) of administrator(s)

I/We (a)
Christopher Michael White
The P&A Partnership
93 Queen Street
Sheffield
S1 1WF
DX 10616 Sheffield

John Russell
The P&A Partnership
93 Queen Street
Sheffield
S1 1WF
DX 10616 Sheffield

administrator(s) of the above company attach a progress report for the period

(b) Insert date

From	To
(b) 22 January 2013	

(b) 21 July 2013

Signed

C White
Joint / Administrator(s)

Dated

20/8/13

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

The contact information that you give will be visible to searchers of the public record

Christopher Michael White
The P&A Partnership
93 Queen Street
Sheffield
S1 1WF
DX 10616 Sheffield

0114 2755033

When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff



A11 22/08/2013 #69

COMPANIES HOUSE

BROWN & CO. (ELECTRICAL ENGINEERS) LIMITED

Christopher Michael White & John Russell appointed Joint Administrators on 22 January 2013
The Joint Administrators act as agents of the company without personal liability

Correspondence to the Joint Administrator of Brown & Co (Electrical Engineers) Limited

Registered Office 93 Queen Street, Sheffield, S1 1WF

Telephone 0114 275 5033 Facsimile 0114 276 8556

Registered in England & Wales - Company No 00228005

TO ALL KNOWN CREDITORS

Our Ref. B338113/ADM1000/L/CD/KK

Date 20 August 2013

Contact Claire Dowson/Kerry Kosowski

Dear Sirs

BROWN & CO. (ELECTRICAL ENGINEERS) LIMITED ("the Company") - IN ADMINISTRATION

Further to previous correspondence regarding the Administration of the Company, the following documentation is now available for viewing or downloading on the internet from our creditor portal -

- Form 2.24B - Formal Notice to Creditors enclosing the Joint Administrators' progress report,
- The Joint Administrators' progress report; and
- Creditors' guide to the fees, expenses and disbursements charged by The P&A Partnership

Our creditor portal can be accessed at www.thepandapartnership.com

User name Brown
Password. 73RR45

Should you prefer a hard copy of the documentation or have any queries in this regard, please do not hesitate to contact me or a member of my staff

Yours faithfully

For and on behalf of Brown & Co (Electrical Engineers) Limited



Christopher Michael White
Joint Administrator
Acting as an agent of the Company
without personal liability

**IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
BIRMINGHAM DISTRICT REGISTRY**

NO 8027 of 2013

BROWN & CO. (ELECTRICAL ENGINEERS) LIMITED ("the Company")

AND

IN THE MATTER OF THE INSOLVENCY ACT 1986 ("the Act")

**JOINT ADMINISTRATORS' PROGRESS REPORT TO CREDITORS PURSUANT TO RULE 2.47 OF
THE INSOLVENCY RULES 1986**

This report has been prepared under the provisions of the Insolvency Rules for the sole purpose of advising the creditors of the Company of the progress of the Administration. This report is private and confidential and may not be copied or quoted from in whole or in part, referred to or relied upon for any other purpose, other than advising creditors.

**The P&A Partnership
93 Queen Street
Sheffield
S1 1WF
Tel: 0114 275 5033
Fax: 0114 276 8556
Email: epost@thepandapartnership.com**



A11

22/08/2013
COMPANIES HOUSE

#70

BROWN & CO. (ELECTRICAL ENGINEERS) LIMITED

1. INTRODUCTION

- 1.1 This report to creditors is made pursuant to Rule 2.47 of the Insolvency Rules 1986

2. STATUTORY INFORMATION

Company name	Brown & Co (Electrical Engineers) Limited
Registered address	93 Queen Street Sheffield S1 1WF Formerly - 7 The Pavilions Bridge Hall Drive Bury BL9 7NX
Company number	00228005
Other trading names of the Company	None
Date of incorporation	11 February 1928
Objects	Electrical Contractors
Authorised share capital	5,000 shares authorised as follows - 471 ordinary shares of £1 each 499 ordinary A shares of £1 each 500 ordinary B shares of £1 each 500 ordinary C shares of £1 each 2,424 ordinary D shares of £1 each 605 ordinary E shares of £1 each 1 ordinary F share of £1
Issued share capital	4,529 shares issued as follows. - 499 ordinary A shares of £1 each 500 ordinary B shares of £1 each 500 ordinary C shares of £1 each 2,424 ordinary D shares of £1 each 605 ordinary E shares of £1 each 1 ordinary F share of £1
Shareholders	Christopher James Hatton – 10 ordinary A shares Charles Joseph Rhodes – 479 ordinary A shares

Liam Patrick Worthington
– 10 ordinary A shares

John Bailey Rhodes
– 250 ordinary B shares

Joseph Henry David Rhodes
– 250 ordinary C shares

Frederick Tuite
– 300 ordinary E shares

Patricia Irene Rhodes
– 250 ordinary B shares

Maureen Christine Rhodes and Charles Joseph Rhodes
– 250 ordinary C shares

Mrs G M Rhodes
– 2,424 ordinary D shares

Anne Hopper
– 300 ordinary E shares

Peter James Rhodes
– 5 ordinary E shares

Joanna Rachel Rhodes
– 1 ordinary F share

Debenture holder

None

Directors

Charles Joseph Rhodes
Christopher James Hatton
Liam Patrick Worthington

Company Secretary

Charles Joseph Rhodes

3. COURT HAVING CONTROL OF ADMINISTRATION PROCEEDINGS AND JOINT ADMINISTRATORS' APPOINTMENT

- 3 1 The High Court of Justice, Chancery Division, Birmingham District Registry is the Court seized of the Administration proceedings. The Court reference number is 8027 of 2013.
- 3 2 On 22 January 2013, the directors filed a Notice of Appointment of Administrators pursuant to Paragraphs 22 & 29 of Schedule B1 to the Act. Christopher Michael White and John Russell of The P&A Partnership, 93 Queen Street, Sheffield S1 1WF were appointed Joint Administrators of the Company.
- 3 3 Christopher Michael White and John Russell are Insolvency Practitioners licensed by the Insolvency Practitioners Association of Valiant House, 4-10 Heneage Lane, London EC3A 5DQ.
- 3 4 In accordance with Paragraph 100(2) of Schedule B1 to the Act both of the Joint Administrators may exercise any or all of the functions of the Joint Administrators jointly or alone.

4. JOINT ADMINISTRATORS' STRATEGY

- 4 1 The Joint Administrators' proposals for achieving the purpose of Administration, approved by creditors on 27 February 2013, were to realise property in order to make a distribution to the Company's preferential creditors
- 4 2 The above objective will be achieved as the preferential creditors will be discharged in full within the Administration, once finalised
- 4 3 Notwithstanding the above, the second objective of Administration, namely, achieving a better result for the Company's creditors as a whole than would be likely if the Company was wound up without first being in Administration, is likely to be achieved as a dividend is anticipated for the unsecured creditors

5. PROGRESS REPORT

- 5 1 This report covers the period following the appointment of the Joint Administrators on 22 January 2013 until 21 July 2013
- 5 2 Shown below and overleaf is a summary of the Joint Administrators' receipts and payments covering the period between 22 January 2013 and 21 July 2013

	Directors' Statement of Affairs (£)	22/01/2013 to 21/07/2013 (£)
RECEIPTS		
Property	200,000	-
Book Debts & WIP	148,324	26,644
Cash at Bank	684,437	694,790
Motor Vehicle	-	27,520
Bank Interest Gross	-	89
Rates Refunds	-	1,580
Utilities Refunds	-	109
Hire of Labour Realisations	-	9,270
		<u>760,002</u>
PAYMENTS		
Wages		8,407
Rates		206
Repairs & Maintenance – Cleaning		57
PR Advice		206
Property Alarm Maintenance		154
Property Service Charge Payment		939
Network Lease		16,924
Specific Bond		528
Office Holders' Fees		218,572
Incidental Outlay - Category 1 Disbursements		
Redirection of Mail		60
Category 2 Disbursements		
Motor & Expenses		2,996
Postage & Stationery		668
Faxes		54
Searches		55

Storage	1,417
Agent's Fees	11,922
Legal Fees	5,852
Pension Advice	250
Statutory Advertising	151
VAT Receivable	<u>14,418</u>
	<u>283,836</u>
Balance in Hand	<u>476,166</u>

- 5 3 Immediately upon our appointment, a thorough review of the Company's work-in-progress was undertaken. Whilst the Company was in the process of completing various contracts and defects, having discussed each contract in turn with the directors, it became apparent that the majority of these works were uneconomical to complete.
- 5 4 As at the date of our appointment the Company was however working onsite at Manchester Airport. Given the level of work already undertaken and the anticipated costs to complete the contract, the Joint Administrators entered into negotiations with the contractors, Morgan Sindall, to establish whether an agreement could be reached to enable the Company to complete the works and achieve future realisations.
- 5 5 Morgan Sindall were therefore advised of the Joint Administrators' appointment on 22 January 2013 at which time they were asked to consider their requirements for the Company to complete the contract and to confirm their position in this respect by close of business the following day, 23 January 2013.
- 5 6 It was established that upon our appointment, five of the Company's employees were salaried, with the Company's remaining twenty two employees being paid on a weekly basis.
- 5 7 Given the Joint Administrators' ongoing negotiations with Morgan Sindall, the decision was made to retain six weekly paid employees on the basis that they would be required should further works be undertaken on this particular contract.
- 5 8 In addition, upon our appointment three of the Company's weekly employees were subject to hire agreements with third party companies whereby the employees were sub-contracted out to two separate companies at a small profit.
- 5 9 Having contacted both of these companies the Joint Administrators were advised that two of the employees were required until 8 February 2013, and the remaining employee was only required until 24 January 2013. Having entered into a written agreement with the companies in this respect, the Joint Administrators agreed to honour the Company's agreement on the basis that all outstanding invoices were paid immediately.
- 5 10 The above employees were made redundant on 24 January 2013 and 8 February 2013 respectively.
- 5 11 All employees of the Company were contacted on 22 January 2013 to notify them of our appointment, and a meeting was convened for 25 January 2013, following the deadline set for Morgan Sindall to respond, to formally notify employees of their redundancies and provide them with information in relation to the Company's position, any claims that they could make and allow them an opportunity to raise any queries they may have.
- 5 12 Having expended considerable time negotiating with Morgan Sindall in relation to their requirements for the Airport contract to be completed, the Joint Administrators were advised by Morgan Sindall that they required a manager from the Company to oversee and take responsibility for any future works undertaken by the Company.

- 5 13 The Joint Administrators and their agents, Charterfields Limited ("Charterfields"), discussed this with the directors of the Company. However, due to the risks involved, Morgan Sindall were advised that this was not possible. The Joint Administrators did however advise Morgan Sindall that the key employees required for the contract had been retained by the Company and would be available should an alternative manager be appointed by Morgan Sindall.
- 5 14 Despite the above, the Joint Administrators were subsequently notified that an alternative contractor had been appointed by Morgan Sindall to complete the contract.
- 5 15 Upon our appointment the Company was however in possession of various documentation and certificates in relation to the work already completed by the Company in respect of the Manchester Airport contract. The Joint Administrators, in conjunction with their agents, continued to negotiate with Morgan Sindall in relation to the release of such documentation in exchange for payment.
- 5 16 Having taken legal advice on this matter, the Joint Administrators were advised that they had a duty to release these free of charge.
- 5 17 Given the above, the six remaining weekly paid employees were all made redundant at the meeting on 25 January 2013. As the Company's salaried employees were paid until 31 January 2013, they were put on notice of their impending redundancy on 25 January 2013 and were subsequently made redundant on 31 January 2013.
- 5 18 Due to the level of ongoing negotiations between the Joint Administrators and Morgan Sindall, and in an attempt to allow time for various final accounts with suppliers to be agreed, the Joint Administrators retained one of the Company's directors, Liam Worthington, for an additional period of three days.
- 5 19 Despite protracted negotiations and correspondence with Morgan Sindall, they were not willing to make an offer for the documentation now in their possession.
- 5 20 In addition to the above contract, the Company also had a further eighteen contracts with eight individual contractors, one of which was Morgan Sindall.
- 5 21 Upon reviewing these, there were eighteen outstanding retentions totalling £201,725 and two applications totalling £89,525 respectively.
- 5 22 The Joint Administrators instructed their agents, Charterfields, to pursue these outstanding retentions/applications with a view to maximising realisations within the Administration, excluding the Morgan Sindall contracts which were passed to Naismiths to pursue.
- 5 23 Following receipt of correspondence from the various contractors, all of these have advised of disputes resulting in set-off for defects which have arisen which are expected to be in excess of the sums due. In addition, we await the expiry of the completion date of the contracts to establish whether retentions will be payable. One of the main contractors is currently subject to insolvency proceedings with an outstanding application in the sum of £42,215. The Joint Administrators have written to the company with a view to lodging a claim.
- 5 24 The Joint Administrators and their agents continue to correspond with the contractors.
- 5 25 To date, realisations in respect of outstanding retentions and applications total £26,644.
- 5 26 Wage payments including PAYE/NIC deductions have been discharged in full totalling £8,407 during the Administration period.
- 5 27 Upon our appointment the Company had cash at bank in the sum of £694,791, all of which has been transferred to the Joint Administrators' account.

- 5 28 The Company owns a freehold property located at 7 The Pavilions, Bridge Hall Drive, Bury BL9 7NX Upon our appointment Charterfields were instructed to value the property and advise on the most appropriate marketing strategy
- 5 29 Upon Charterfields' advice, the property was placed on the market for sale in the sum of £200,000 Shortly after our appointment the Joint Administrators received two offers for the property. However, given both of these offers were substantially lower than the marketing price, the Joint Administrators requested that Charterfields entered into negotiations with both parties with a view to obtaining increased offers
- 5 30 Whilst increased offers were received from both parties, Charterfields advised that the offers were still lower than anticipated and given that all marketing opportunities had not been explored, the offers were rejected The Joint Administrators however requested that Charterfields continue to negotiate with both parties with a view to obtaining further increased offers
- 5 31 Whilst the property was on the market, a further offer was received Again, this offer was lower than anticipated therefore, Charterfields continued with negotiations with a view to increasing the offer Following protracted negotiations, the offer was increased and Charterfields advised that the offer was of an acceptable value and recommended acceptance of the offer
- 5 32 The Joint Administrators concurred with Charterfields' recommendations and instructed solicitors to draft heads of terms However, prior to the heads of terms being drafted, a further interested party submitted an offer in excess of the existing offer Charterfields advised that this offer was on a cash basis and should be accepted
- 5 33 The Joint Administrators informed Charterfields to revert to the original purchaser to establish whether they were willing to increase their offer further Unfortunately, they did not wish to increase their offer
- 5 34 On that basis, heads of terms were issued to the new proposed purchaser for a sale of the property The offer includes a £5,000 deposit upon exchange with completion fourteen days after exchange Given the commercial sensitivity, details of the quantum of the offer will be disclosed in our next formal report to creditors
- 5 35 Our solicitors are currently in correspondence with the purchaser's solicitors with regard to some minor queries raised We anticipate that exchange and completion will be in the next four weeks
- 5 36 The Joint Administrators have been made aware of a property management company in relation to the property Upon reviewing their service contract with the Company, upon the sale of the property, their consent is required prior to sale
- 5 37 It was estimated on the directors' statement of affairs that preferential creditor claims would be in the region of £13,300 and unsecured creditor claims would total £1,414,884 Preferential and unsecured creditor claims received to date total £347 and £1,625,442 respectively
- 5 38 Within the Act there are provisions for a fund, called the Prescribed Part, to be set aside for distribution to the unsecured creditors The fund is calculated on the net realisations of property subject to a floating charge contained in a debenture created on or after 15 September 2003 As no security was granted over the Company, the above provisions will not apply
- 5 39 The preferential creditors will be repaid in full in this matter In addition, we anticipate that the unsecured creditors will receive a distribution however, any such distribution will be made in the subsequent Liquidation of the Company
- 5 40 Please note, the Joint Administrators are currently reviewing the preferential creditors' claims with a view to finalising these for distribution purposes

- 5 41 The Joint Administrators are to be reimbursed for any expense or necessary disbursements properly charged or incurred in the course of carrying out their duties in this matter. These expenses include category 1 and 2 disbursements such as mileage at "AA" rate, meeting room hire, photocopying, stationery, postage, searches, redirection of mail, storage of the Company's books and records on a commercial basis within the Joint Administrators' storage facility and any other costs appertaining to the conduct of this Administration. Such expenses or disbursements are to be paid from the assets of the Company in accordance with the Proposals approved by creditors on 27 February 2013.
- 5 42 To assist in the conduct of the Administration, the Joint Administrators instructed Charterfields and Shakespeares in relation to the realisation of assets and the provision of legal advice respectively. As shown at paragraph 5 2, Charterfields have been paid £11,922 to date with Shakespeares being paid £5,852 to date.
- 5 43 As Charterfields are paid on a percentage of realisations basis, further funds are anticipated to be paid to them once a sale of the Company's freehold property completes. The quantum of this payment is currently uncertain. Disbursements of £3,000 plus VAT have however also been incurred in this respect.
- 5 44 In relation to Shakespeares, it has been agreed that their remuneration will be based upon an hourly rate. Outstanding time costs in this respect to date total £2,535. This figure is however anticipated to increase. Shakespeares also have outstanding disbursements of £32 in this respect.
- 5 45 Please refer to the attached Creditors' Guide to the Fees, Expenses and Disbursements charged by The P&A Partnership. A Creditors' Guide to Fees is available and provides explanations of creditors' rights. This can be accessed via the Internet at www.thepandapartnership.com/resources or alternatively a copy can be requested by telephoning The P&A Partnership Help Desk +44 (0)114 275 5033.
- 5 46 The proposals, approved by creditors on 27 February 2013, stated that the Joint Administrators' remuneration shall be calculated by reference to the time properly given by the Joint Administrators and their staff in attending to all matters arising during the course of the Administration. The Joint Administrators' time costs include pre-appointment and post-appointment time to 21 July 2013 totalling £4,858 and £217,532 respectively, the sum of £218,572 which has been drawn on account. An analysis of the time incurred is shown below.

Classification of Work	Partner	Manager	Other Senior Professionals	Assistants	Total	Time Cost	Average Hourly Rate
Function	(Hours)	(Hours)	(Hours)	(Hours)	(Hours)	(£)	(£)
Case Specific Matters	4 50	21.70	13 00	5 80	45 00	9,326 00	207 24
Trading	1 50	8 80	0 00	0 00	10 30	2,526 50	245 29
Investigations	19 80	0 00	4 20	0 60	24 60	7,459 20	303 22
Realisation of Assets	58 30	69 10	41 80	20 00	189 20	44,207 30	233 65
Creditors	129 50	134.60	111 20	74 20	449 50	99,672 70	221 74
Administration & Planning	84 80	81.70	52 00	19 60	238 10	59,197 50	248 62
Totals	298.40	315.90	222.20	120.20	956.70	222,389.20	232.45
Total Time Cost (£)	99,964 00	75,177 00	42,440 20	4,808 00			

5.47 The pre-appointment time incurred in relation to this matter relates to advice given to the Company immediately prior to our appointment. This advice included discussions with the directors regarding the Company's options and the appointment of the Joint Administrators. Pre-appointment costs are subject to approval under Rule 2.106 of the Act. Such costs were approved at the meeting of creditors held on 27 February 2013.

5.48 The following matters have been particularly time consuming:-

- 5.48.1 Upon their appointment the Joint Administrators explored the opportunity to continue working on certain contracts in order to maximise realisations in this respect.
- 5.48.2 A significant amount of time has been expended liaising with the Company's creditors by way of telephone calls and written correspondence, in relation to both their queries and the quantum of their claims.
- 5.48.3 Following their appointment the Joint Administrators and their solicitors dedicated a significant amount of time to reviewing retention of title claims that were received from suppliers, specifically in relation to the Company's main contract.
- 5.48.4 A considerable amount of time has been spent assessing the various contracts, and ensuring that all possible steps are taken to mitigate the quantum of any counterclaims, in order to minimise the quantum of any additional creditor claims. Such work required various meetings with the Company's directors, the Joint Administrators' agents and a third party quantity surveyor.
- 5.48.5 Upon their appointment the Joint Administrators required the assistance of several employees, on a short term basis, to assist in the collection of statutory and contract information. Meetings were therefore held with the Company's employees to advise them of the Joint Administrators' appointment and to discuss the need for the employees continued assistance.
- 5.48.6 On the basis that all employees were to be made redundant either upon their appointment, or shortly thereafter, the Joint Administrators arranged to hold a meeting with all Company employees to discuss their rights. Both during and subsequent to this meeting the Joint Administrators spent a considerable amount of time assisting the Company's employees with their claims and reviewing the same within the Administration proceedings.
- 5.48.7 Following their appointment the Joint Administrators have expended time communicating with the Company's pension provider in relation to obtaining and reviewing the policy terms.
- 5.48.8 Significant levels of time have been spent in relation to the marketing and sale of the Company's premises, liaising with our agents and all interested parties.
- 5.48.9 In addition to the above, the Joint Administrators also expended time ensuring that the property was secure, with all hazardous materials being removed and the alarm being fully functional, and adequately insured.
- 5.48.10 Following their appointment the Joint Administrators and their staff attended the Company's premises and undertook a review of all documentation held. This assisted the Joint Administrators in locating all key information in relation to contracts but also enabled the Company's records to be located, listed and removed for storage in accordance with the Joint Administrators requirements.
- 5.48.11 The above is in addition to the Joint Administrators' statutory duties.

- 5 49 A secured creditor, an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including that creditor), or an unsecured creditor with the permission of the Court, has a period of twenty one days from the date of receipt of this progress report to request further information in respect of the Joint Administrators' remuneration and expenses.
- 5 50 Any secured creditor, any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor), or an unsecured creditor with the permission of the Court, may make an application to the Court on the grounds that the remuneration charged and or expenses incurred by the Joint Administrators are excessive or the basis fixed for the Joint Administrators' remuneration is inappropriate. Such an application to the Court must be made within eight weeks of the date of receipt of this progress report.

Dated this 20th day of August 2013



Christopher Michael White
Joint Administrator
Acting as agent of the Company
without personal liability

Creditors Guide to the Fees, Expenses and Disbursements charged by The P&A Partnership

Rates applicable from the 1st January 2013

Details of Insolvency Practitioners Licensing Bodies

John Russell, Brendan Ambrose Guilfoyle, Andrew Philip Wood, Christopher Michael White, Gareth David Rusling, Steven Edward Butt and Ashleigh William Fletcher are all licensed by the Insolvency Practitioners Association of Valiant House, 4-10 Heneage Lane, London, EC3A 5DQ Philip Andrew Revill is licensed by the Institute of Chartered Accountants of England & Wales of Silbury Court, 412/416 Silbury Boulevard, Milton Keynes, MK9 2AF Derek Ewan Simpson is licensed by The Institute of Chartered Accountants of Scotland of CA House, 21 Haymarkets Yard, Edinburgh EH12 5BH

Insolvency Practitioners Fees

The Insolvency Rules 1986 entitles the Insolvency Practitioner to receive remuneration for his services and sets out the basis of how such remuneration shall be fixed which includes a percentage of the assets realised and monies distributed to creditors, a set amount, by reference to the time properly given by the office holders, their partners and staff in attending to matters arising, or one or more of the above bases and different basis may be fixed for different things Where it has been agreed by resolution of the secured creditors, a creditor's committee or creditors generally, that the office holders remuneration will be calculated by reference to a time basis, then such remuneration will be calculated in units of 6 minutes at the following hourly standard rates -

Grade	Total Hourly Standard Rates £	Total Hourly Complex Rates £
Partners/Associate	335-450	495 – 600
Partners & Directors		
Senior Manager & Managers	230-305	320 – 440
Administrators	191-230	
Assistants	40-191	

These are our current hourly charge out rates and are exclusive of value added tax Rates are reviewed annually and creditors will be advised of any alteration thereto In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the secured creditors, creditor's committee or the creditors generally, that their remuneration on such time as is agreed shall be charged on the above higher hourly complex rate

Debt Collection, Contested Asset Recovery and Related Services

Contested debt collection will be referred to P&A Receivables Services PLC, an associated company of The P&A Partnership and its dedicated legal firm James Peters & Co The fees of P&A Receivables Services PLC shall be charged by reference to the time properly given by their staff, such fees will be calculated in units of 6 minutes at the hourly rate of £80 P&A Receivables Services PLC may also be used to recover items such as plant and machinery, to locate debtors and to serve documents The fees for work of this nature will be calculated in accordance with P&A Receivables Services PLC's standard rates James Peters & Co fees will be charged by reference to time costs properly incurred, calculated in 6 minute units at an hourly rate of between £111 and £217, plus their disbursements These fees are in accordance with the guideline rates for summary assessment of costs following consultation between the legal profession and the Designated Civil Judge and are typical of legal firms in this geographical area

Expenses and Disbursements

The payment of **Category 1** disbursements will be a charge against the estate to recover the actual cost of the disbursement paid out in respect of the administration of the estate A separate amount will be charged by way of an expense to recover the cost of **Category 2** disbursements for services provided by the insolvency practitioner's firm Category 2 disbursements will include storage of company's books and records at the insolvency practitioner's own storage facility The books and records will be stored in banker's boxes and a storage fee will be charged at the rate of £7 50 per box per month This charge covers the transportation of records from the company's premises, storage, retrieval of books and records in storage for administration purposes and the destruction of such books and records after the first anniversary of the completion of the insolvency administration The recharge for company searches and electronic identification procedures for all new clients will depend on the documentation requested The charges will be £10 per set of financial accounts, £5 for an annual return, £5 for a mortgage summary, £10 for a company report, £35 for the Memorandum and Articles of Association, £15 for credit references, £5 for any other documents and £15 for electronic verification searches These charges reflect the insolvency practitioners costs to cover the administration costs of collating the information in addition to the direct costs in obtaining the documents An annual fee of £175 will be charged on corporate matters for the maintenance of the company's registered office at our office addresses The charge for the use of meeting rooms will be a flat rate of £100 per meeting or £150 in our London premises This includes where requested, the use of computer and media facilities Travelling by motor vehicle on business for the administration of the insolvency will be charged to the estate per mile at the appropriate rate currently published by the "AA" for the type of vehicle and engine size used All circulars will be sent out by first class post and the actual postage costs will be charged as an expense to the estate In respect of circulars, stationery and photocopying will be charged out at the rate of 50p per letterhead, 25p per copy paper or facsimile, 09p per proxy form, 09p creditor's guide, 20p large envelope, 18p small envelope, 16p address labels No charge will be made in respect of individual letters relating to the administration of the estate as the costs of these disbursements are reflected in the hourly rate The charges stated above are subject to small annual increments and creditors will be advised of these with future circulars

Introduction to Lending Sources

The P&A Partnership may make referrals to P&A Lender Services Ltd ('PALS') being an associated company PALS and its authorised representatives are not authorised under the Financial Services and Markets Act 2000 or by the Financial Services Authority to provide specific investment advice but they may be able to introduce funding seeking parties ('FSP's') to one or more reputable lending services ('Lender')

In such circumstances where any party associated with the referral is subsequently subject to any formal insolvency procedure and the Partners of The P&A Partnership are appointed office holders in relation to any formal insolvency, then any arrangement fees or commissions or payments becoming due to PALS (if any) from any Lender in respect of the acquisition or future trading of the business and assets of the insolvent party, will be paid into the realisation fund in the formal insolvency for the benefit of creditors

Our Ref B338113/J/CD/KK