

The Insolvency Act 1986

Administrator's progress report**2.24B**

Name of Company BLAKEMORE AND CHELL LIMITED	Company number 00672949
In the Manchester District Registry of the High Court [full name of court]	Court case number 3224 of 2012

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

We (a) P D Masters & K G Murphy of Leonard Curtis, Tower 12,
18/22 Bridge Street, Manchester M3 3BZ

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

(b) Insert dates	from (b) 4 April 2014	to (b) 16 April 2014
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Signed Ken

Joint / Administrator(s)

Dated 16 April 2014**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.

Leonard Curtis	
Tower 12, 18/22 Bridge Street, Manchester M3 3BZ	
Ref KL/24	Tel 0161 7671250
DX Number	DX Exchange



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 22/04/2014
 #101
 COMPANIES HOUSE

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



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**BLAKEMORE AND CHELL LIMITED
(IN ADMINISTRATION)**

Registered Number: 00672949
Court Ref. 3224 of 2012
Manchester District Registry of the High Court

**Joint Administrators' fourth and final progress report in accordance
with Rules 2.47 and 2.110 of the Insolvency Rules 1986**

**Report period
4 April 2014 to 16 April 2014**

16 April 2014

Leonard Curtis
Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ
Tel 0161 7671250 Fax 0161 7671240
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Ref M/24/KL/SB816K/1010

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**STRICTLY PRIVATE AND CONFIDENTIAL
NOT FOR PUBLICATION**

**TO: THE REGISTRAR OF COMPANIES
ALL CREDITORS
ALL MEMBERS**

1 INTRODUCTION

- 1 1 This report has been produced in accordance with Rules 2.47 and 2.110 of the Insolvency Rules 1986 to provide creditors with an update on the progress of the Administration of Blakemore and Chell Limited ("the Company") for the period from 4 April 2014 to 16 April 2014. This is the Joint Administrators' fourth and final progress report to creditors.
- 1 2 The Administration of the Company is now for practical purposes complete. Section 10 of this report deals with how the Joint Administrators intend to bring the Administration to an end.
- 1 3 Much of the information contained in this report encompasses the whole period of the Administration. Please be aware, however, that where reference is made to "the period of this report", this specifically means 4 April 2014 to 16 April 2014, being the period since the end of the period covered by the last progress report.

2 STATUTORY INFORMATION

- 2 1 P. D. Masters and K. G. Murphy were appointed as Joint Administrators of Blakemore and Chell Limited ("the Company") in the jurisdiction of Manchester District Registry of the High Court, number 3224 of 2012 on 22 October 2012. The Administration appointment was made by Black Country Reinvestment Scheme ("BCRS").
- 2 2 The Administration is being handled by the Manchester office of Leonard Curtis, which is situated at Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ.
- 2 3 The principal trading address of the Company was 3 New Street, Leek, Staffordshire ST13 6EB. The business traded under its registered name.
- 2 4 The registered office address of the Company at the date of the appointment of Administrators was New Street, Leek, Staffordshire ST13 6EB. Following the appointment, this was changed to Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ. The registered number of the Company is 00672949.
- 2 5 For the purposes of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 (as amended), it should be noted that during the period in which the Administration Order is in force, any act or function required or authorised under any enactment to be done by the Administrator may be exercised by all or any of the persons holding that office.
- 2 6 The Company's main centre of operations is based in the UK. The EC Regulation on Insolvency Proceedings applies and the proceedings are main proceedings under the Regulation.

3 JOINT ADMINISTRATORS' PROPOSALS

- 3 1 Attached at Appendix A is a summary of the Joint Administrators' approved proposals for achieving one of the three statutory purposes of Administration.

3 2 There have been no major amendments to, or deviations from, the proposals during the course of the Administration

3 3 The objective of the administration has been to realise property in order to make a distribution to secured or preferential creditors

3 4 This objective has been achieved, as BCRS have been part repaid from goodwill realisations paid directly by the Purchaser

4 PROGRESS OF THE ADMINISTRATION

4 1 Attached at Appendix B is the Joint Administrators' receipts and payments account for the period from 4 April 2014 to 16 April 2014. Cumulative figures have also been provided to reflect transactions for the whole of the administration period to date

4 2 Sale of Business

As previously reported to creditors, the business and assets of the Company were sold on 22 October 2012 to B & C Heating Limited ('the Purchaser'), a company with a common director to Blakemore and Chell Limited

The agreed sale consideration was £145,000, payable on a deferred basis. £100,000 relates to goodwill and £45,000 for the tangible assets. The sale consideration is secured by way of a personal guarantee provided by Michael John Green

To date only £19,750 has been received by the Administrators in respect of the tangible assets. The Administrators have pursued the Purchaser and guarantor and instructed solicitors to commence legal proceedings for recovery. One of the secured creditors, with a personal guarantee and charge over the director's property, has also commenced recovery proceedings to recover the Company's debt. As a result of this, a sum of £14,000 has been paid directly to BCRS by the Purchaser in respect of the goodwill due to part discharge their debt

On 9 April 2014 we issued formal demand for payment against the Purchaser under the terms of the debenture security held. The Purchaser confirmed that they were not in a position to pay so on 10 April 2014 we appointed partners of Mitchell Charlesworth as Administrators of the Purchaser. Under the terms of the sale agreed by Mitchell Charlesworth, to a new purchasing entity, we are due to receive a sum of £25,250 in due course under the terms of our fixed charge

As the Administration will automatically end on 21 April 2014, and we do not consider it in the interests of creditors to incur further costs to apply to Court for a further extension, the outstanding deferred consideration has been assigned to Leonard Curtis personally and will be used to discharge the outstanding professional costs of the Administration in due course. Any funds received in respect of the goodwill element will be paid over to the secured creditors under the terms of their security

4 3 Balance at Bank

At the date of appointment the Company's bank account was in credit to the sum of £56.53. These funds have now been received into the Joint Administrators' bank account

4 4 Bank Interest

A sum of £14.58 has been received in respect of bank interest

4 5 Book Debts

Sundry book debts of £151 44 have been received

5 ASSETS STILL TO BE REALISED

5 1 The assets still to be realised in this matter are the deferred consideration detailed at 4 1 above which has been assigned to Leonard Curtis to cover the outstanding professional costs of the Administration

6 INVESTIGATIONS

6 1 As previously reported, following their initial assessment, no detailed investigations were considered to be required by the Administrators. Nothing further has been brought to the attention of the Administrators in the period of this report

7 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

Pre-Administration Costs

7 1 On 16 January 2013, the secured creditors consented to the following pre-administration costs and expenses being paid as an expense of the Administration

Charged by	Services provided	Total amount charged £
Leonard Curtis	Insolvency advice, dealing with appointment & negotiating sale to B & C Heating Limited	8,254 00
Farleys Solicitors	Dealing with sale contract	5,052 00
Charles Taylor	Valuation of plant & machinery and goodwill	3,500 00
TOTAL		16,806 00

A sum of £2,052 00 has been paid to Farleys Solicitors and a sum of £2,000 has been paid to Charles Taylor. No fees have yet been drawn by Leonard Curtis. As detailed at 4 1, on receipt of funds from the Administrator of the Purchaser the balance of the pre-administration costs will be paid where funds permit.

Joint Administrators' Remuneration

7 2 On 16 January 2013, the secured creditors agreed that the basis of the Joint Administrators' remuneration be fixed by reference to time properly spent by them and their staff in attending to matters arising from the Administration. Approval was also received to draw category 2 disbursements as detailed at Appendix D.

7 3 The Joint Administrators' time costs are summarised below

	Hours No	Rate / hr £	Total value of time £
Time previously reported (22/10/12 – 30/08/13)	64 4	309 72	19,373 00
Time incurred in the period 31/08/13 – 28/03/14	16 2	317 78	5,148 00
Total Administrators' time costs	80 6	304 23	24,521 00

Please note that Leonard Curtis' chargeout rates were increased on 6 January 2014. Details of the new rates are set out at Appendix D.

- 7.4 The time charged by the Joint Administrators' for the period of this report amounts to £5,148.00. This represents 16.2 hours at an average rate of £317.78 per hour. Attached at Appendix C is a time analysis which provides details of the activity costs incurred by staff grade during this period, along with a description of the work done by the Joint Administrators and their staff in respect of which the time has been charged. Additional time has been spent since 28 March 2014 which has not yet been posted to the system. This is estimated to be in the sum of £4,435.00. Further guidance may be found in "A Creditors' Guide to Administrators' Fees" which may be downloaded from <http://www.leonardcurtis.co.uk/resources/creditorsguides>. If you would prefer this to be sent to you in hard copy please contact Katy Lockwood of this office on 0161 7671250.
- 7.5 Administrators' fees drawn to date in respect of these time costs total £6,000 plus VAT.
- 7.6 Final fees of £16,280.97 will be drawn in due course on receipt of the deferred consideration. These have been included in the Receipts and Payments Account at Appendix B. The balance of time costs incurred will be discharged from the distribution due from the administrator of the Purchaser in due course. Any additional time will be written off in the absence of any other receipts.

Joint Administrators' Disbursements

- 7.7 The following Category 1 and Category 2 disbursements have been incurred on the case since appointment.

Category 1 disbursements

Charged by	Services provided	Total amount pd by LC £	Amount recovered from case £	Amount still to be recovered from case £
Companies House	Company searches	4.00	4.00	Nil
Courts Advertising	Statutory Advertising	76.50	76.50	Nil
AUA Insolvency Risk	Bordereau Fee	90.00	90.00	Nil
Business Tax Centre	Client Identification	10.00	10.00	Nil
Auctus Limited	Storage	25.36	21.26	4.10
The Creditor Gateway	Report Hosting	26.00	26.00	Nil
Land Registry	Land search	6.00	6.00	Nil
High Court of Justice	Court Fee	35.00	Nil	35.00

Category 2 disbursements

Charged by	Services provided	Total amount pd by LC £	Amount recovered from case £	Amount still to be recovered from case £
Leonard Curtis staff	Mileage @45p / mile	51.30	51.30	Nil

Expenses of the Administration

- 7 8 The Joint Administrators have also incurred expenses during the period of this report. These expenses are detailed in the table below, which also indicates whether these expenses have been paid from the case funds

Nature of expenses	By whom provided	Amount incurred this period £	Total amount incurred to date £	Amount paid £	Amount unpaid £
Report Hosting	Creditor Gateway	-	12 00	12 00	Nil
Software Licence	Pelstar Computing	-	75 00	75 00	Nil
Statement of Affairs Fee	Thompson Wright Accountants	-	3,000 00	2,000 00	1,000 00
Legal Fees	Farleys Solicitors	1,350 00	2,360 00	Nil	2,360 00
Professional Fees	Alexander Forbes	1,000 00	1,000 00	Nil	1,000 00
TOTAL		2,350 00	6,447 00	2,087 00	4,360 00

As detailed at 4.1 of the report all outstanding professional costs will be paid when a distribution is received from the Administrator of the Purchaser where funds permit

- 7 9 Attached at Appendix D is additional information in relation to the firm's policy on staffing, the use of sub-contractors, disbursements and details of our current charge-out rates by staff grade
- 7 10 Unsecured creditors whose debts amount to at least 5% of the total value of the unsecured claims, or any secured creditor, may request further information regarding remuneration or expenses (other than pre administration costs) by submitting their written requests before 9 May 2014
- 7 11 In addition, unsecured creditors whose debts amount to at least 10% of the total value of the unsecured claims, or any secured creditor, may apply to court, if they believe the remuneration charged or expenses incurred by the Joint Administrators to be excessive or the basis fixed for the Joint Administrators' remuneration to be inappropriate. Any application should be made within 8 weeks of receipt of this report

8 OUTCOME FOR CREDITORS

8.1 Secured Creditors

HSBC Bank Plc ("HSBC")

HSBC holds security in the form of a fixed and floating charge debenture over the Company's property and assets created on 7 April 2008 and registered on 12 April 2008. HSBC provided a current account, overdraft and loan facility to the Company and at the date of appointment were owed £81,754.34. HSBC have not received any distributions in the Administration. HSBC also have a personal guarantee and second charge over the director's personal property and we anticipate they will now look to enforce this security in respect of the debt owed.

BCRS

BCRS hold security in the form of a fixed and floating charge debenture over the Company's property and assets created on 29 January 2010 and registered on 5 February 2010. BCRS provided two loans to the Company. The first loan was provided on 4 February 2010 in the sum of £25K and the second loan was provided on 24 August 2010 in the sum of £25K. At the date of appointment BCRS were owed a sum of £20,083.84, £7,636.07 in relation to the first loan and £12,447.77 in relation to the second loan. Interest continues to accrue. BCRS have been partly repaid by the Purchaser directly from goodwill realisations. We understand that the Purchaser has agreed a repayment plan directly with BCRS. BCRS also have a charge over the director's personal property to secure their debt. It is anticipated that BCRS will enforce their security in respect of the remainder of the debt.

8.2 Preferential Claims

The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay. As all employees were transferred to the Purchaser following our appointment, no preferential claims are anticipated.

8.3 Prescribed Part

The Insolvency Act 1986 provides that, where a company has created a floating charge after 15 September 2003, the administrator must make a *prescribed part* of the company's net property available to the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims.

The net property, after discharging the costs of administration, in this case is less than the prescribed minimum and we consider that the cost of making a distribution of the prescribed part in this case to be disproportionate to the benefits. Accordingly, we do not intend to set aside a prescribed part in this instance.

8.4 Unsecured Non-Preferential Claims

There are insufficient funds available to enable a distribution to unsecured creditors. This statement is being made in accordance with paragraph 52(1)(b) of Schedule B1 to the Act.

9 EXTENSIONS TO THE ADMINISTRATION

9.1 The appointment of administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.

9.2 In certain circumstances it becomes necessary to extend the Administrators' term of office.

9.3 In this case, consent to a six-month extension of the administration was obtained from the secured creditors in order to allow the deferred consideration to be pursued.

9.4 No further extensions are required.

10 ENDING THE ADMINISTRATION

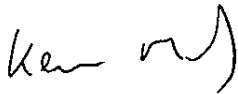
10.1 The Administration is now for practical purposes complete. As there are insufficient funds available to allow payment of a dividend to unsecured creditors in this case, the appropriate exit route from the Administration is Dissolution of the Company. Attached at Appendix E is Form 2.35B – Notice of Move from Administration to Dissolution. On the registration of this Notice by Companies House, the Administration will be brought to an end and the appointment of the Joint Administrators will cease to have effect.

BLAKEMORE AND CHELL LIMITED – IN ADMINISTRATION

- 10 2 At the end of the period of three months beginning with the date of registration of Form 2 35B, the Company will be dissolved
- 10 3 The Joint Administrators will be discharged from liability in respect of any action(s) of theirs as Administrators immediately upon their appointment ceasing to have effect

If you wish to discuss the issues raised in this report or require any additional information please contact this office

for and on behalf of
BLAKEMORE AND CHELL LIMITED



K G MURPHY
JOINT ADMINISTRATOR

Licensed in the UK by the Institute of Chartered Accountants in England and Wales

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability

SUMMARY OF JOINT ADMINISTRATORS' PROPOSALS

- 1 The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration
- 2 If appropriate, the Joint Administrators take any action they consider necessary with a view to the approval of a Company Voluntary Arrangement ("CVA") or Scheme of Arrangement in relation to the Company
- 3 If appropriate, the Joint Administrators file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors Voluntary Liquidation. It is further proposed that P D Masters and/or K G Murphy be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved.
- 4 Alternatively, if appropriate, the Joint Administrators apply to Court under Para 65 (3) of Schedule B1 to the Insolvency Act 1986 (as amended) for permission to make a distribution to the unsecured creditors within the Administration.
- 5 In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the Company should be dissolved.
- 6 The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company.
- 7 The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that P D Masters and/or K G Murphy be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them.
- 8 The Joint Administrators shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration.

**SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM
4 APRIL 2014 TO 16 APRIL 2014**

	Estimated to realise £	Transactions Previously reported £	Transactions This period £	Cumulative £
RECEIPTS				
Business Name	1 00	1 00	-	1 00
Equipment	4,500 00	4,500 00	-	4,500 00
Personal Data	1 00	1 00	-	1 00
Balance at Bank	-	56 53	-	56 53
Deposit Interest Gross	-	14 58	-	14 58
Office Fixtures & Fittings	1,298 00	1,298 00	-	1,298 00
Goodwill	100,000 00	14,000 00	-	14,000 00
Stock, Contracts & Work in Progress	33,000 00	13,950 00	-	13,950 00
Equity (if any) in Financed Vehicles	6,200 00	-	-	-
Book Debts	-	151 44	-	151 44
TOTAL	<u>145,000 00</u>	<u>33,972 55</u>	<u>-</u>	<u>33,972 55</u>
PAYMENTS				
Report Hosting		12 00	-	12 00
Category 1 disbursements		233 76	-	233 76
Category 2 disbursements		51 30	-	51 30
Software Licence		75 00	-	75 00
Solicitors' Fees & Expenses		2,052 00	-	2,052 00
Administrators' Remuneration		6,000 00	-	6,000 00
Accountancy Fees		2,000 00	-	2,000 00
Agents' Fees & Expenses		2,000 00	-	2,000 00
TOTAL		<u>(12,424 06)</u>	<u>-</u>	<u>(12,424 06)</u>
DISTRIBUTIONS				
BCRS		(14,000 00)	-	(14,000 00)
BALANCE IN HAND		<u>7,548 49</u>	<u>-</u>	<u>7,548 49</u>
PROPOSED FINAL TRANSACTIONS				
Tangible Assets				25,250 00
Category 1 disbursements				(39 10)
Storage				(41 93)
Report Hosting				(28 00)
Administrators' Remuneration				(16,280 97)
Solicitors' Fees & Expenses				(5,360 00)
Agents' Fees & Expenses				(1,500 00)
Accountancy Fees				(1,000 00)
Professional Fees (Pension)				(1,000 00)
				<u>Nil</u>

BLAKEMORE AND CHELL LIMITED – IN ADMINISTRATION

APPENDIX C

SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD
FROM 31 AUGUST 2013 TO 28 MARCH 2014

	Director		Senior Manager		Manager 1		Manager 2		Administrator 1		Administrator 2		Total		Average	
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Hourly Rate £	Hourly Rate £
Statutory & Review	-	-	7	269.50	-	-	-	-	1	23.00	2	42.00	10	334.50	334.50	334.50
Receipts & Payments	2	85.00	-	-	-	-	1	32.00	-	-	5	105.00	8	222.00	277.50	277.50
Insurance	-	-	-	-	-	-	5	160.00	-	-	-	-	5	160.00	320.00	320.00
Assets	3	135.00	-	-	8	264.00	16	466.50	-	-	-	-	27	865.50	320.56	320.56
Liabilities	-	-	-	-	-	-	30	855.00	-	-	5	105.00	35	960.00	274.29	274.29
Debenture Holder	40	1,700.00	-	-	-	-	10	285.00	-	-	-	-	50	1,985.00	397.00	397.00
General Administration	-	-	-	-	-	-	-	-	3	69.00	-	-	3	69.00	230.00	230.00
Post Appointment Credits Mings	-	-	-	-	-	-	-	-	24	552.00	-	-	24	552.00	230.00	230.00
Total	45	1,920.00	7	269.50	8	264.00	62	1,798.50	28	644.00	12	252.00	162	5,148.00		
Average Hourly Rate (£)		426.67		385.00		330.00		290.08		230.00		210.00		317.78		
All Units are 6 minutes																

BLAKEMORE AND CHELL LIMITED – IN ADMINISTRATION

APPENDIX C (Continued)

SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD
FROM 22 OCTOBER 2012 TO 28 MARCH 2014

	Director		Senior Manager		Manager 1		Manager 2		Administrator 1		Administrator 2		Administrator 4		Total		Average	
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Hourly Rate £	Hourly Rate £
Statutory & Review			7	269 50			39	1,111 50	31	713 00	2	42 00			79	2,136 00		270 38
Receipts & Payments	4	170 00					6	174 50			5	105 00	5	67 50	20	517 00		258 50
Insurance							15	445 00							15	445 00		296 67
Assets	71	3,025 00			8	264 00	94	2,689 50							173	5,978 50		345 58
Liabilities	23	977 50					75	2,137 50			5	105 00			103	3,220 00		312 62
Landlords													5	67 50	5	67 50		135 00
Debtature Holder	43	1,827 50					25	712 50							68	2,540 00		373 53
General Administration	6	255 00					48	1,368 00	3	69 00			24	324 00	81	2,016 00		248 89
Appointment	11	467 50					80	2,280 00					4	54 00	95	2,801 50		294 89
Post Appointment Credits Mtngs	23	977 50					105	2,992 50	24	552 00			10	135 00	162	4,657 00		287 47
Investigations							5	142 50							5	142 50		285 00
Total	181	7,700 00	7	269 50	8	264 00	492	14,053 50	58	1,334 00	12	252 00	48	648 00	806	24,521 00		

Average Hourly Rate (£)

425 41

385 00

330 00

285 64

230 00

210 00

135 00

304 23

All Units are 6 minutes

DESCRIPTION OF TIME SPENT BY CATEGORY FOR THE PERIOD
FROM 31 AUGUST 2013 TO 28 MARCH 2014

Statutory and Review

Time was incurred reviewing the file and ensuring that all statutory matters were being progressed

Receipts and Payments

Time was spent part discharging the professional costs incurred and posting the monies received

Insurance

This involved correspondence in relation to the pension scheme

Assets

Time was expended pursuing the deferred consideration

Liabilities

This involved preparing and reviewing the progress report to creditors and seeking consent from the secured creditors to an extension of the Administration

Debenture

Time was incurred liaising with the secured creditors and meeting with BCRS to discuss the position and the debt due and the payments received

General Administration

This involved general office administration of the case

Post Appointment Creditors' Meetings

Time was posted to this code which related to the preparation of the second progress report to creditors

ADDITIONAL INFORMATION IN RELATION TO THE POLICY OF LEONARD CURTIS REGARDING FEES AND DISBURSEMENTS

The following information relating to the policy of Leonard Curtis is considered to be relevant to creditors

Staff Allocation and Support Staff

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution of the secured creditors, a creditors' committee or creditors generally, that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters arising in the appointment, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below.

With effect from 6 January 2014 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis

With effect from 6 Jan 2014	Standard £	1 Jan 2012 to 5 Jan 2014	Standard £
Director	450	Director	425
Senior Manager	410	Senior Manager	385
Manager 1	365	Manager 1	330
Manager 2	320	Manager 2	285
Administrator 1	260	Administrator 1	230
Administrator 2	230	Administrator 2	210
Administrator 3	210	Administrator 3	190
Administrator 4	150	Administrator 4	135
Support	0	Support	0

Subcontractors

Details and the cost of any work which has been or is intended to be sub-contracted out that could otherwise be carried out by the office holders or their staff will be provided in any report which incorporates a request for approval of the basis upon which remuneration may be charged.

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements. The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

Disbursements

- a) **Category 1 disbursements** These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) **Category 2 disbursements** These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£66.09 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.

FORM 2.35B – NOTICE OF MOVE FROM ADMINISTRATION TO DISSOLUTION