

The Insolvency Act 1986

# Notice of move from administration to dissolution

Name of Company  
AAP Design Manufacturing Services Limited

Company number  
01932649

In the High Court of Justice, Leeds District Registry, Chancery  
Division

Court case number  
2097 of 2009

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

We, S C E Mackellar and G M Wild

(b) Insert name and address  
of registered office of  
company

Of Zolfo Cooper  
Toronto Square  
Toronto Street

(c) Insert date of  
appointment

Leeds  
LS1 2HJ

(d) Insert name of applicant /  
appointor

having been appointed administrators of AAP Design Manufacturing Services Limited  
on 29 June 2009 by the Directors hereby give notice that the provisions of paragraph 84(1) of  
Schedule B1 to the Insolvency Act 1986 apply

We attach a copy of the final progress report

Signed

Joint Administrator

Dated

25/6/10

## 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.

Sam Cobley

Toronto Square, Toronto Street, Leeds, LS1 2HJ

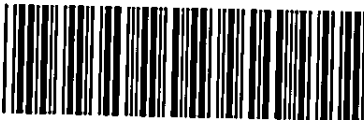
Tel 0113 386 0855

DX Number

DX Exchange

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

SATURDAY



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26/06/2010

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COMPANIES HOUSE

# Joint Administrators' Final Progress Report For the Period 29 December 2009 to 24 June 2010

AAP Design Manufacturing Services  
Limited - In Administration

24 June 2010

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## **1 Statutory information**

- 1.1 I was appointed Joint Administrator of AAP Design Manufacturing Services Limited (the Company) together with G M Wild on 29 June 2009. The application for the appointment of an Administrator was made by the Director.
- 1.2 This Administration is being handled by Zolfo Cooper's Leeds office, situated at Toronto Square, Toronto Street, Leeds, LS1 2HJ.
- 1.3 The Administration is registered in the Newcastle Upon Tyne District Registry, under reference number 2097 of 2009.
- 1.4 The trading address of the Company was Unit 2 Bedesway, Bede Trading Estate, Jarrow, Tyne & Wear, NE32 3EG (the Property).
- 1.5 The registered office of the Company is Toronto Square, Toronto Street, Leeds, LS1 2HJ and its registered number is 01932649.
- 1.6 The functions of the Joint Administrators may be exercised by either or both, acting jointly or alone.

## **2 Joint Administrators' Proposals**

- 2.1 As previously advised, the Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:
- Rescuing the Company as a going concern,
  - Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration), or
  - Realising property in order to make a distribution to one or more secured or preferential creditors.
- 2.2 The strategy for achieving these objectives was outlined in the Joint Administrators' Statement of Proposals (the Proposals). The first objective under the new Administration regime is based on the survival of the existing Company through a Company Voluntary Arrangement (CVA), or a Scheme of Arrangement under section 425 of the Companies Act. This was not a viable option because investors were not forthcoming to inject funds into the business.
- 2.3 As the Joint Administrators were unable to achieve the first objective, the second objective of achieving a better result for creditors as a whole than would be likely if the Company were wound up (without first being in Administration) was pursued.
- 2.4 The second objective has been achieved by maximising asset realisations and selling the business as a going concern. This has allowed preferential creditors to be paid in full, debtor realisations to be maximised and a partial repayment to Barclays Bank Plc (the Bank) under its floating charge.

### 3 Progress of the Administration

- 3.1 Attached at Appendix A is the Joint Administrators' Receipts and Payments Accounts for the Period from 29 December 2009 to 24 June 2010 together with a Cumulative Trading and Receipts and Payments Account for the Period from 29 June 2009 to 24 June 2010

#### Trading

- 3.2 The Company traded for a short period of time during the Administration to facilitate the completion of two outstanding orders. A loss of £339 was made during this time.

#### Sale of Business

- 3.3 On Wednesday 1 July 2009 an offer was received for the business and Property from Paul Bradley (PB), a former Director of the Company along with financial backing from WD Close & Sons Limited (Close), a large metal fabrications business based in Newcastle
- 3.4 A sale of the business was concluded on 6 July 2009 for a total of £134,000 to AAP Metal Fabrication Services Limited (NewCo), which is understood to be owned by PB and Close
- 3.5 In accordance with Statement of Insolvency Practice No 13 (SIP13), I would advise you that the following assets were sold to one of the Directors and shareholders of NewCo

| Date of Transaction | Asset Involved and Nature of Transaction | Consideration Paid and Date | Sold To      | Relationship |
|---------------------|--|-----------------------------|--------------|--------------|
| 6 July 2009         | Purchase of fixtures and fittings        | £1,000                      | Paul Bradley | Director     |
| 6 July 2009         | Plant & Machinery                        | £75,000                     | Paul Bradley | Director     |
| 6 July 2009         | Motor Vehicles                           | £27,000                     | Paul Bradley | Director     |
| 6 July 2009         | Stock & WIP                              | £30,000                     | Paul Bradley | Director     |
| 6 July 2009         | Goodwill                                 | £1,000                      | Paul Bradley | Director     |

#### Property

- 3.6 The Sale & Purchase Agreement (SPA) in respect of the sale of the business to NewCo also included the Property. As the Property was held on a long lease, it was necessary to obtain the Landlord's consent to the sale. Consent was received on 29 July 2009 and proceeds of £400,000 were realised.

#### Book Debts

- 3.7 The debtor's ledger at appointment totalled £138,000. The Joint Administrators had previously written off £74,639 in respect of bad debts, leaving a potential balance of £63,361 to collect.
- 3.8 It was agreed that NewCo would collect the outstanding book debts, including an additional £15,000 of invoiced work raised during the Administration's Trading period, for no commission. Based on NewCo's final report, £65,773 has been realised against the collectable ledger, the remaining balances have been written off in the interests of commerciality.

## **Other Realisations**

- 3.9 A business rates refund of £1,565 has been realised.
- 3 10 Bank interest of £58 97 has accrued over the Administration period.

## **4 Joint Administrators' Remuneration**

- 4 1 Creditors approved the Joint Administrators' remuneration be fixed by reference to the time properly spent by them and their staff in managing the Administration
- 4 2 The Joint Administrators' time costs for the period 29 December 2009 to 24 June 2010 are £10,679 This represents 80 hours at an average rate of £135 per hour Attached as Appendix B is a Time Analysis that provides details of the activity costs incurred by staff grade for the period since my last report A cumulative analysis for the entire Administration is attached as Appendix C
- 4 3 The total fees drawn to date are £60,000 and disbursements of £2,849 have been paid
- 4 4 Attached as Appendix D is additional information in relation to our policy on staffing, the use of sub-contractors, disbursements and details of our current charge-out rates by staff grade.

## **Administration and Planning**

- 4 5 The time recorded here reflects the statutory duties of the Joint Administrators, including the initial notification, the Proposals, and subsequent reports In addition, it covers the time spent formulating the strategy of the Administration and internal meetings

## **Investigations**

- 4 6 The time recorded here reflects the statutory duties of the Joint Administrators to investigate the pre-appointment conduct and actions of the Directors and any correspondence with the Directors It also reflects the time spent by the Joint Administrators reviewing information provided to assist with these statutory duties

## **Realisation of Assets - Fixed and Floating Charge**

- 4.7 The time recorded here relates to the realisation of assets subject to the Bank's fixed and floating charges respectively, including the sale of the business and the Property.

## **Realisation of Assets - Debtors**

- 4 8 Work carried out by case staff under this heading represents the overseeing of debt collection process by NewCo and investigation of the debtors' ledger

## **Creditors**

- 4 9 This time relates to dealing with general queries and notifying creditors of the Administration It also includes time relating to the preparation of correspondence to unsecured creditors and employees

## **5 Unrealised Assets**

- 5 1 I confirm that all assets have now been realised and the Receipts and Payments Account at Appendix A reflects the final position on both realisations achieved and payments discharged during the course of the Administration

## **6 Outcome for Creditors**

### **Secured Creditor - Barclays Bank Plc**

- 6 1 The Company granted a fixed and floating charge to the Bank on 20 April 2006 in respect of a commercial mortgage and overdraft facility, along with cross guarantees incorporating AAP Bradley Limited and AAP Mechanical & Marine Services Limited.
- 6 2 At the date of appointment, the indebtedness to the Bank was £942,786. The Bank has recovered £490,842 from fixed charge realisations and £26,618 from floating charge realisations

### **Preferential Creditors**

- 6.3 Based on the Directors Estimated Statement of Affairs (SOA) attached to the Proposals, the estimated value of preferential creditors was nil. The actual amount was £1,834 which has been settled in full

### **Unsecured Creditors**

- 6 4 The SOA showed the value of the unsecured creditors to be £595,739. There is no prospect of funds becoming available for unsecured creditors
- 6 5 As the Bank's security post dates the introduction of the Enterprise Act 2002 on 15 September 2003, there is a requirement to set aside an "Unsecured Creditor's fund" as outlined in Sections 176A(2) of the Insolvency Act 1986 (the Act) These funds are called a Prescribed Part
- 6.6 Pursuant to Sections 176(5) of the Act, an application was made to Court and an order granted on 22 June 2010 which released the Joint Administrators of the requirement to set aside the Unsecured Creditor's Fund This was on the basis that the costs of making the distribution to the unsecured creditors were disproportionate to the benefit As part of the Court Order, the funds which would have been set aside have been distributed to the Bank under its floating charge

## **7 Ending the Administration**

- 7 1 The Joint Administrators have been released from the requirement to set aside the Unsecured Creditors Fund and all surplus funds have been distributed back to the floating charge holder The Joint Administrators therefore propose to file a notice together with their final progress report at Court and with the Registrar of Companies for the dissolution of the Company The appointment will end following the registration of the notice by the Registrar of Companies
- 7 2 The Joint Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Act immediately upon their appointment as Administrators ceasing to have effect

AAP Design Manufacturing Services Limited - In Administration



For and on behalf of  
AAP Design Manufacturing Services Limited

A handwritten signature in black ink, appearing to read 'S C E Mackellar', written in a cursive style.

S C E Mackellar  
Joint Administrator

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**Receipts and Payments Account for the Period from  
29 December 2009 to 24 June 2010 and a  
Cumulative Account for the Period 29 June 2009 to  
24 June 2010.**

**Appendix A**

|                                    | Statement<br>of Affairs | From 29/12/2009<br>to 24/06/2010 | From 29/06/2009<br>to 24/06/2010 |
|------------------------------------|-------------------------|----------------------------------|----------------------------------|
|                                    | (£)                     | (£)                              | (£)                              |
| <b>Post Appointment Sales</b>      |                         |                                  |                                  |
| Sales                              |                         | NIL                              | 4,250 00                         |
|                                    |                         | NIL                              | 4,250 00                         |
| <b>Other Direct Costs</b>          |                         |                                  |                                  |
| Wages & Salaries                   |                         | NIL                              | 3,140 13                         |
| PAYE/NIC                           |                         | NIL                              | 1,241 65                         |
|                                    |                         |                                  | 4,381 78                         |
| <b>Trading Expenditure</b>         |                         |                                  |                                  |
| Bank Charges                       |                         | NIL                              | 206 98                           |
|                                    |                         | NIL                              | 206 98                           |
| <b>Trading Surplus/(Deficit)</b>   |                         | NIL                              | (338 76)                         |
| <b>Fixed Realisations</b>          |                         |                                  |                                  |
| Freehold Property                  | 400,000 00              | NIL                              | 400,000                          |
| Goodwill                           |                         | NIL                              | 1,000                            |
| Motor Vehicles                     |                         | NIL                              | 27,000                           |
| Plant and Machinery                | 32,847 00               | NIL                              | 75,000 00                        |
| Bank Interest                      |                         | 28 86                            | 28 86                            |
|                                    | 432,847 00              | 28 86                            | 503,028 86                       |
| <b>Fixed Costs</b>                 |                         |                                  |                                  |
| Joint Administrators Fees          |                         | (5000)                           | (5000)                           |
| Legal Fees                         |                         | (4500)                           | (4500)                           |
| Bank Charges                       |                         | (1 05)                           | (1 05)                           |
| Advertising Sale of Business       |                         | NIL                              | (2685 89)                        |
|                                    |                         | 0 00                             | 0 00                             |
| <b>Fixed Creditors</b>             |                         |                                  |                                  |
| Due to Chargeholder                |                         | (90,841 92)                      | (490,841 92)                     |
|                                    |                         | (90,841 92)                      | (490,841 92)                     |
| <b>Floating Realisations</b>       |                         |                                  |                                  |
| Fixtures & Fittings                | 103,000 00              | NIL                              | 1,000 00                         |
| Stock                              | 30,000 00               | NIL                              | 30,000 00                        |
| Book Debts                         | 60,000 00               | 58,867 00                        | 65,773 00                        |
| Bank Interest Gross                |                         | 17 93                            | 59 87                            |
| Trading Surplus/(Deficit)          |                         | NIL                              | (338 76)                         |
| Business Rates Refund              |                         | NIL                              | 1,564 53                         |
|                                    | 193,000 00              | 58,884 93                        | 98,058 64                        |
| <b>Floating Costs</b>              |                         |                                  |                                  |
| Joint Administrators Fees          |                         | (30,512 00)                      | (55,000 00)                      |
| Joint Administrators Disbursements |                         | (2,000 00)                       | (2 848 54)                       |
| Legal Fees                         |                         | (3,545 00)                       | (10 500 00)                      |
| Statutory Advertising              |                         | NIL                              | (123 20)                         |
| Rates                              |                         | (649 23)                         | (649 23)                         |
| Insurance of Assets                |                         | NIL                              | (474 00)                         |
| Bank Charges                       |                         | (10 87)                          | (10 87)                          |
|                                    |                         | (36,717 10)                      | (69 605 84)                      |
| <b>Preferential Creditors</b>      |                         |                                  |                                  |
| DE Arrears & Holiday Pay           |                         | (1,833 96)                       | (1 833 96)                       |
|                                    |                         | (1,833 96)                       | (1 833 96)                       |
| <b>Floating Charge Creditor</b>    |                         |                                  |                                  |
| Due to Chargeholder                |                         | (20 333 87)                      | (26,618 84)                      |
|                                    |                         | (20 333 87)                      | (26,618 84)                      |
| <b>Balance in Hand</b>             |                         | NIL                              | NIL                              |
| <b>Floating Interest Bearing</b>   |                         |                                  | NIL                              |
|                                    |                         |                                  | NIL                              |

# Time Analysis for the Period from 29 December 2009 to 24 June 2010.

## Appendix B

|                                  | Employee Grade<br>(Hours) |                  |                     |                   | Hours To Date | (£s) | Total Cost              | Average Rate p/h              |
|----------------------------------|---------------------------|------------------|---------------------|-------------------|---------------|------|-------------------------|-------------------------------|
|                                  | Partner / Director        | Senior Associate | Associate / Analyst | Analyst / Support |               |      |                         |                               |
| ADMINISTRATION AND PLANNING      |                           |                  |                     |                   |               |      |                         |                               |
| Strategy and Control             | 0 60                      | 1 80             | 3 60                | 0 80              | 6 80          |      | 918 00                  | 135 00                        |
| Bank and Creditor Reporting      | 0 30                      | 6 10             | 14 20               | 4 60              | 25 20         |      | 3,402 00                | 135 00                        |
| Statutory Duties                 | 0 00                      | 0 10             | 0 00                | 7 90              | 8 00          |      | 1,080 00                | 135 00                        |
| Job Administration               | 0 00                      | 0 00             | 3 10                | 7 50              | 10 60         |      | 1,431 00                | 135 00                        |
| Cash Accounting and Time Records | 0 20                      | 1 60             | 4 80                | 7 90              | 14 50         |      | 1,957 50                | 135 00                        |
| Case Closure                     | 0 00                      | 0 20             | 2 80                | 0 00              | 3 00          |      | 405 00                  | 135 00                        |
| ADMINISTRATION & PLANNING Total  | 1 10                      | 9 80             | 28 50               | 28 70             | 68 10         |      | 9,193 50                | 135 00                        |
| REALISATION OF ASSETS - DEBTORS  |                           |                  |                     |                   |               |      |                         |                               |
| Debt Collection                  | 0 00                      | 0 00             | 5 00                | 0 00              | 5 00          |      | 675 00                  | 135 00                        |
| Internal Documentation           | 0 00                      | 0 00             | 0 30                | 0 00              | 0 30          |      | 40 50                   | 135 00                        |
| REALISATION OF ASSETS - DEBTORS  | 0 00                      | 0 00             | 5 30                | 0 00              | 5 30          |      | 715 50                  | 135 00                        |
| CREDITORS                        |                           |                  |                     |                   |               |      |                         |                               |
| Creditor Dealings                | 0 00                      | 0 00             | 1 80                | 2 90              | 4 70          |      | 634 50                  | 135 00                        |
| Creditor Claims                  | 0 40                      | 0 00             | 0 00                | 0 20              | 0 60          |      | 54 00                   | 135 00                        |
| Employees                        | 0 00                      | 0 00             | 0 40                | 0 00              | 0 40          |      | 54 00                   | 135 00                        |
| CREDITORS Total                  | 0 40                      | 0 00             | 2 20                | 3 10              | 5 70          |      | 742 50                  | 135 00                        |
| Number of Hours                  | 1 50                      | 9 80             | 36 00               | 31 80             | 79 10         |      | Total Cost<br>10,678 50 | Average Hourly rate<br>135 00 |

## Cumulative Time Analysis for the Period from 29 June 2009 to 24 June 2010

## Appendix C

|  | Employee Grade<br>(Hours) |                  |                     |                          |               | (£s)              |                            |
|--|---------------------------|------------------|---------------------|--------------------------|---------------|-------------------|----------------------------|
|  | Partner / Director        | Senior Associate | Associate / Analyst | Junior Analyst / Support | Hours To Date | Total Cost        | Average Rate p/h           |
| <b>ADMINISTRATION AND PLANNING</b>                   |                           |                  |                     |                          |               |                   |                            |
| Strategy and Control                                 | 20 10                     | 16 50            | 6 80                | 0 80                     | 44 20         | 5,967 00          | 135 00                     |
| Bank and Creditor Reporting                          | 5 50                      | 29 40            | 22 70               | 4 60                     | 62 20         | 8,397 00          | 135 00                     |
| Statutory Duties                                     | 0 00                      | 0 20             | 0 60                | 9 30                     | 10 10         | 1,363 50          | 135 00                     |
| Job Administration                                   | 0 00                      | 11 50            | 31 40               | 21 50                    | 64 40         | 8,694 00          | 135 00                     |
| Cash Accounting and Time Records                     | 0 70                      | 2 30             | 4 80                | 25 30                    | 33 10         | 4,468 50          | 135 00                     |
| Case Related Travel Time                             | 0 00                      | 2 80             | 1 50                | 0 00                     | 4 30          | 580 50            | 135 00                     |
| Case Closure   | 0 00                      | 0 20             | 2 80                | 0 00                     | 3 00          | 405 00            | 135 00                     |
| Internal Documentation and IT                        | 0 00                      | 0 00             | 1 30                | 0 00                     | 1 30          | 175 50            | 135 00                     |
| <b>ADMINISTRATION &amp; PLANNING Total</b>           | <b>26 30</b>              | <b>62 90</b>     | <b>71 90</b>        | <b>61 50</b>             | <b>222 60</b> | <b>30,051 00</b>  | <b>135 00</b>              |
| <b>INVESTIGATIONS</b>                                |                           |                  |                     |                          |               |                   |                            |
| D Reports  | 0 20                      | 0 40             | 4 00                | 7 50                     | 12 10         | 1,633 50          | 135 00                     |
| Other Investigations                                 | 0 00                      | 0 00             | 0 20                | 0 00                     | 0 20          | 27 00             | 135 00                     |
| <b>INVESTIGATIONS Total</b>                          | <b>0 20</b>               | <b>0 40</b>      | <b>4 20</b>         | <b>7 50</b>              | <b>12 30</b>  | <b>1,660 50</b>   | <b>135 00</b>              |
| <b>REALISATION OF ASSETS - FIXED CHARGE</b>          |                           |                  |                     |                          |               |                   |                            |
| Sale of Assets                                       | 0 00                      | 17 50            | 0 00                | 0 00                     | 17 50         | 2,362 50          | 135 00                     |
| Insurance  | 0 00                      | 0 00             | 0 20                | 0 00                     | 0 20          | 27 00             | 135 00                     |
| <b>REALISATION OF ASSETS - FIXED CHARGE Total</b>    | <b>0 00</b>               | <b>17 50</b>     | <b>0 20</b>         | <b>0 00</b>              | <b>17 70</b>  | <b>2,389 50</b>   | <b>135 00</b>              |
| <b>REALISATION OF ASSETS - DEBTORS</b>               |                           |                  |                     |                          |               |                   |                            |
| Debt Collection                                      | 0 00                      | 2 50             | 16 50               | 1 80                     | 20 80         | 2,808 00          | 135 00                     |
| Debtors Litigation                                   | 2 00                      | 0 00             | 0 00                | 0 00                     | 2 00          | 270 00            | 135 00                     |
| Internal Documentation                               | 0 00                      | 0 00             | 3 30                | 0 00                     | 3 30          | 445 50            | 135 00                     |
| <b>REALISATION OF ASSETS - DEBTORS Total</b>         | <b>2 00</b>               | <b>2 50</b>      | <b>19 80</b>        | <b>1 80</b>              | <b>26 10</b>  | <b>3,523 50</b>   | <b>135 00</b>              |
| <b>REALISATION OF ASSETS - FLOATING CHARGE</b>       |                           |                  |                     |                          |               |                   |                            |
| Initial Actions and Valuations                       | 0 00                      | 3 50             | 0 00                | 0 00                     | 3 50          | 472 50            | 135 00                     |
| Sale of Assets                                       | 12 70                     | 0 00             | 0 00                | 0 00                     | 12 70         | 1,714 50          | 135 00                     |
| <b>REALISATION OF ASSETS - FLOATING CHARGE Total</b> | <b>12 70</b>              | <b>3 50</b>      | <b>0 00</b>         | <b>0 00</b>              | <b>16 20</b>  | <b>2,187 00</b>   | <b>135 00</b>              |
| <b>TRADING</b>                                       |                           |                  |                     |                          |               |                   |                            |
| Initial Actions                                      | 0 90                      | 0 00             | 9 00                | 0 00                     | 9 90          | 1,336 50          | 135 00                     |
| Ongoing Trading Activities                           | 0 00                      | 12 50            | 8 90                | 0 00                     | 21 40         | 2,889 00          | 135 00                     |
| <b>TRADING Total</b>                                 | <b>0 90</b>               | <b>12 50</b>     | <b>17 90</b>        | <b>0 00</b>              | <b>31 30</b>  | <b>4,225 50</b>   | <b>135 00</b>              |
| <b>CREDITORS</b>                                     |                           |                  |                     |                          |               |                   |                            |
| Creditor Dealings                                    | 0 00                      | 0 00             | 30 90               | 7 70                     | 38 60         | 5,211 00          | 135 00                     |
| Creditor Claims                                      | 0 40                      | 0 00             | 0 00                | 0 30                     | 0 70          | 94 50             | 135 00                     |
| Internal Documentation                               | 0 00                      | 0 00             | 4 10                | 0 00                     | 4 10          | 553 50            | 135 00                     |
| Employees  | 0 00                      | 2 00             | 4 70                | 0 80                     | 7 50          | 1,012 50          | 135 00                     |
| <b>CREDITORS Total</b>                               | <b>0 40</b>               | <b>2 00</b>      | <b>39 70</b>        | <b>8 80</b>              | <b>50 60</b>  | <b>6,831 00</b>   | <b>135 00</b>              |
| <b>Average Rate Per Hour</b>                         | <b>42 50</b>              | <b>101 30</b>    | <b>153 70</b>       | <b>79 60</b>             | <b>377 10</b> | <b>Total Cost</b> | <b>Average Hourly rate</b> |
| <b>Total Cost By Grade</b>                           |                           |                  |                     |                          |               | <b>50,908 50</b>  | <b>135 00</b>              |

## Additional information in relation to the Joint Administrators' fees pursuant to Statement of Insolvency Practice 9

### Appendix D

## 1 Policy

Detailed below is Zolfo Cooper's policy in relation to

- staff allocation and the use of sub-contractors,
- professional advisors; and
- disbursements

### 1.1 Staff Allocation and the use of Sub-contractors

The Joint Administrators general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will usually consist of a Partner, a Senior Associate, an Associate and an Analyst. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Joint Administrators charge out rate schedule below provides details of all grades of staff and their experience level.

With regard to support staff, the Joint Administrators would advise that time spent by treasury in relation to specific tasks on an assignment is charged. Only if there is a large block of time incurred by a member of the secretarial team, e.g. report compilation and distribution, do the Joint Administrators seek to charge and recover their time in this regard.

The Joint Administrators have not utilised the services of any sub-contractors in this case.

On this assignment the Joint Administrators have used the professional advisors listed below. The Joint Administrators have also indicated alongside, the basis of their fee arrangement with them, which is subject to review on a regular basis.

| Name of Professional Advisor                | Basis of Fee Arrangement      |
|---|-------------------------------|
| Eversheds LLP (legal advice)                | Hourly rate and disbursements |
| Willis Limited (insurance)                  | Risk based premium            |
| GVA Grimley (valuation and disposal advice) | Percentage of realisations    |

The Joint Administrators' choice was based on their perception of the professional advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of their fee arrangement with them.

### 1.2 Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising,

invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by the Joint Administrators and their staff.

Category 2 disbursements do require prior approval by creditors before they are paid. If they are incurred, they will be drawn in accordance with the Joint Administrators Proposals. Category 2 disbursements that may be incurred are as follows

- Photocopying - charged at the rate of 10 pence per sheet for notifications and reports to creditors and other copying.

## 2 Charge Out Rates

A schedule of Zolfo Cooper charge-out rates for this assignment effective from 1 January 2009 is detailed below.

| Description                             | £   |
|---|-----|
| <b>Partner/Director:</b>                |     |
| Partner 1*                              | 135 |
| Partner 2*                              | 135 |
| Director                                | 135 |
| <b>Senior Associate</b>                 |     |
| Senior Associate 1*                     | 135 |
| Senior Associate 2*                     | 135 |
| <b>Associate/Analyst.</b>               |     |
| Associate                               | 135 |
| Analyst*                                | 135 |
| <b>Junior Analyst and Support Staff</b> |     |
| Junior Analyst*                         | 135 |
| Senior Treasury Associate               | 135 |
| Treasury Associate                      | 135 |
| Treasury Analyst                        | 135 |
| Support                                 | 135 |

**\*Key**

*Partner 1 - Partners with 3 or more years experience at partner level*

*Partner 2 - Partners with less than 3 years experience at partner level*

*Senior Associate 1 - Staff who have been Senior Associates for over 2 years*

*Senior Associate 2 - Staff who have been Senior Associates for less than 2 years*

*Analyst - Staff who have been Analysts for more than 1 year*

*Junior Analyst - First year Analysts*