

The Insolvency Act 1986

Administrator's progress report

Name of Company
Abacus Care Home Care and Nursing
Services (Ormskirk) Limited

Company number
03019576

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

[full name of court]

Court case number
493 of 2014

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

I / We (a) John Russell of Begbies Traynor (SY) LLP, Kendal House, 41 Scotland Street, Sheffield S3 7BS
Sheffield North@Begbies-Traynor.com and Gareth David Rusling of Begbies Traynor (SY) LLP, Kendal
House, 41 Scotland Street, Sheffield S3 7BS

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

(b) Insert dates


from

to

(b) 21 August 2015

(b) 25 August 2015

Signed


Joint / Administrator(s)

Dated

7 October 2015

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.

Begbies Traynor (SY) LLP

Kendal House, 41 Scotland Street, Sheffield, S3 7BS Sheffield North@Begbies-Traynor.com

Tel Number 0114 2755033

Fax Number 0114 2768556

DX Number

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

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10/10/2015
COMPANIES HOUSE

#123

**ABACUS CARE HOME CARE AND NURSING SERVICES (ORMSKIRK) LIMITED
IN ADMINISTRATION**

**PROGRESS & EXTENSION REPORT TO CREDITORS
PURSUANT TO RULE 2.112 OF THE INSOLVENCY RULES 1986**

**John Russell & Gareth David Rusling
Joint Administrators
(Gareth David Rusling replacing C M White as detailed at Paragraph 1.4 of this Report)
The P&A Partnership Limited
Kendal House
41 Scotland Street
Sheffield
S3 7BS**

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**IN THE MATTER OF ABACUS CARE HOME CARE AND NURSING SERVICES
(ORMSKIRK) LIMITED ("the Company")**

AND

IN THE MATTER OF THE INSOLVENCY ACT 1986

**PROGRESS REPORT TO CREDITORS
PURSUANT TO RULE 2.112
OF THE INSOLVENCY RULES 1986**

1. STATUTORY INFORMATION

- 1.1 On 24 April 2014 the directors filed a Notice of Appointment of Administrators pursuant to Paragraphs 22 and 29 of Schedule B1 to the Act. Christopher Michael White and John Russell of The P&A Partnership Limited, Kendal House, 41 Scotland Street, Sheffield S3 7BS (Formerly of The P&A Partnership) 93 Queen Street, Sheffield S1 1WF were appointed Joint Administrators of the Company.
- 1.2 The Administration is registered in the High Court of Justice, Chancery Division, Leeds District Registry under reference number 493 of 2014.
- 1.3 The Joint Administrators are licensed to act as Insolvency Practitioners in the UK by the Insolvency Practitioners Association. In accordance with Paragraph 100 (2) of Schedule B1 to the Act, the Joint Administrators may exercise any or all of their functions acting jointly or alone.
- 1.4 Christopher Michael White resigned from office as Joint Administrator of the Company. By an order of the High Court of Justice, dated 14 August 2014, Gareth David Rusling of this office was appointed Joint Administrator in his place. Gareth David Rusling is licenced as an Insolvency Practitioner by the Insolvency Practitioners Association.
- 1.5 The trading address of the Company was 71-73 New Court Way, Ormskirk, Lancashire, L39 2YT.
- 1.6 The registered office of the Company is Kendal House, 41 Scotland Street, Sheffield S3 7BS and its registered number is 03019576.
- 1.7 Previously, the Administration period was extended by a further six months by the consent of the Company's preferential and unsecured creditors. This was in order to allow sufficient time for the outstanding monies and assets to be realised.

Despite pursuing the above, these balances remain outstanding. Therefore, in order that we can attempt to collect these outstanding balances and realise the remaining assets, I am writing to request an extension of the Administration period for a further eighteen months by consent of the Court.

2. STRATEGY

- 2 1 Our Proposals ("Proposals") for achieving the purpose of Administration were, approved by creditors on 9 June 2014. The objective of the Administration was to achieve 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, as it was believed a distribution would be available to the unsecured creditors.
- 2 2 As reported previously, we were unable to achieve the above as our main objective therefore, the main objective to be achieved was revised to realising property in order to make a distribution to the preferential creditors. This was detailed within our Proposals previously circulated as being one of the objectives that would be achieved. We continue to anticipate that a dividend will be made to the preferential creditors, now the claims have been finalised. However, this is dependent on the outcome of the proposed mediation meeting as detailed in Section 3 of this report.

3. PROGRESS OF THE ADMINISTRATION

- 3 1 As reported previously, in addition to the Company's assets which were sold to Total MotoX Limited, a small number of assets which were in the possession of one of the Company's directors were uplifted by our agents, Charterfields Limited International Independent Asset Consultants ("Charterfields"). These assets were included in an online auction sale which was held on 2 March 2015 and closed on 11 March 2015. Funds totalling £710 plus VAT were realised from the sale of the two Tyros keyboards. The phone system did not sell at the auction and was subsequently scrapped. Ownership is yet to be determined in respect of the Tyros keyboards.
- 3 2 With regard to the iPhone and computer, these were uplifted by Charterfields however, at the request of the one of the Company's directors, we agreed to release these items to a forensic investigator on the basis that these were returned to Charterfields. Despite pursuing the delivery up of these items, these have not been received and their whereabouts are currently unknown. Charterfields are currently attempting to locate these items. Ownership is yet to be determined with regard to the computer however, ownership of the iPhone vests with an associated Company, Abacus Care (Home Care & Nursing Services) Limited – In Administration ("Services").
- 3 3 In addition to the above items, there remains a TEAC recording machine and two iPad's and a Thinkpad. Ownership is yet to be determined with regard to the TEAC recording machine and the iPad's and Thinkpad are included within the directors' outstanding loan accounts of an associated Company, Abacus Care (Home Care & Nursing Services) Limited – In Administration ("Services"). Charterfields are chasing information with regard to the ownership of the TEAC recording machine.
- 3 4 As advised previously, upon reviewing the Company's records, it appears that the ownership of the majority of these items vests with the associated company, Services, with the exception of the TEAC recording machine, computer and Tyros keyboards as ownership is yet to be determined.
- 3 5 Any funds realised in respect of assets owned by Services, will require transferring, once ownership has been established.

- 3 6 With regard to the preference payments, purchase of the plane and boat and diversion of Company monies, following the issuing of a letter before action by our solicitors, hlw Keeble Hawson Solicitors ('hlw'), hlw have written to one of the directors to request their availability to a mediation meeting, in an attempt to resolve the outstanding matters. At present we are awaiting a response. Following the outcome of this meeting, hlw will then write to the remaining two directors requesting their availability in order that an identical mediation meeting can be held to discuss the issues that remain outstanding.
- 3 7 In the event that the above issues are not resolved during the proposed mediation meetings we will look at the merits of issuing proceedings to pursue these matters further.
- 3 8 With regard to the Company's outstanding book debt ledger, this totalled £177,595 upon our appointment. Initially, our Specialist Debt Recovery Team were pursuing the ledger however they have advised that all avenues have now been exhausted with regard to collections. Overall debtor realisations in this matter total £117,727.05.
- 3 9 Notwithstanding the above, as advised previously, the sum of £45,502 has been paid into an account which the Company utilised for ongoing trading however, was not in the Company name. These funds are being pursued as advised at paragraph 5.2 of this report.

4. ASSETS STILL TO BE REALISED

- 4 1 As detailed at paragraph 3.8, our Specialist Debt Recovery Team have exhausted all avenues with regard to collections. However, we anticipate potential further realisations totalling £45,502 which relates to the funds paid into the non-company account previously.
- 4 2 With regard to the two payments totalling £24,095 which were made to Humphries Kerstetter on the date of our appointment and the day after, following our information request, letters before action were issued. hlw have written to one of the Company's directors requesting their availability to a mediation meeting. We are currently awaiting suitable dates. Once this meeting has been held, hlw will write to the remaining two directors to confirm their availability in order that an identical mediation meeting can be held to discuss the issues that remain outstanding.
- 4 3 As mentioned previously, Charterfields collected a small number of assets which consisted of a phone system, iPhone, two Tyros keyboards and a computer. With the exception of the iPhone and computer, the remaining assets were included within an online auction on 2 March 2015 with a close date of 11 March 2015. The Tyros keyboards realised the sum of £710 plus VAT however, the phone system did not sell and was therefore scrapped. Ownership is yet to be determined in respect of the Tyros keyboards.
- 4 4 The iPhone and computer was not included within the auction as a request was received from one of the Company's directors as to whether we would release the assets to a forensic investigator for examination. The Joint Administrators agreed to this course of action on the basis that once the investigations had been concluded, these would be returned to Charterfields for sale. Despite chasing the return of these assets, these were not forthcoming. We were later informed that these had been returned to the director despite providing instructions to deliver these to Charterfields. Upon contacting the director, we have been advised that the whereabouts of these assets are unknown. We are continuing to attempt to locate these assets.

- 4 5 There still remains a computer and a TEAC recording machine to be uplifted. However, please note that the ownership of the TEAC recording machine and the computer is yet to be determined.
- 4 6 Previously, we were made aware of funds totalling £6,792 which were being held by the Company's former accountants. Following requests for the transfer of these funds, the sum of £3,762 was received. However, the remaining funds have yet to be transferred despite requests for this. Therefore, we have instructed our solicitors to write to the accountants requesting a transfer of these funds.

5. INVESTIGATIONS

- 5 1 In accordance with the Company Directors Disqualification Act 1986 we have submitted a report on the conduct of the directors of the Company to The Department for Business Innovation & Skills ("DBIS"). The contents of the report are confidential therefore cannot be disclosed to the creditors.
- 5 2 Shortly after appointment, we made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the initial meeting (where held) or as a response to our request to complete an investigation questionnaire. As advised in our previous reports, the investigations revealed the following issues -

Preference Payments

Following our request for information from the directors with regard to the payments which were made to Humphries Kerstetter on 24 April 2014 (our appointment) and 25 April 2014, the information received was not sufficient. Therefore, these payments have been included within the letter before action, as detailed below.

Concealment of Assets

As detailed at paragraph 4.3, the only asset which was realised during the online auction was the Tyros keyboards which realised the sum of £710 plus VAT. The phone system did not sell at the auction therefore, was subsequently scrapped.

With regard to the computer and iPhone which were collected, these are yet to be located following their release to a forensic investigator. We are continuing to attempt to locate these assets.

The TEAC recording machine has yet to be uplifted as ownership of this item is disputed.

With regard to the two iPad's and the Thinkpad, these items have yet to be located and uplifted. However, these are included within the directors' overdrawn loan account balances of the associated Company, Services.

Purchase of Plane & Boat

Following our request for additional information, we await further documentation.

Diversion of Company Monies

As advised previously during our review of the Company's bank accounts, various transactions were identified wherein the Joint Administrators requested further information. Despite our requests, insufficient information/documentation has been provided.

Valuation of Company

As detailed above, various transactions were identified and information has been requested from the directors.

Following our requests for information and the issuing of a letter before action in respect of the above matters, we believe that the next step is to hold a mediation meeting in an attempt to resolve the outstanding matters and to avoid any potential Court action. h/w have written to one of the Company's directors requesting their availability. We are currently awaiting a response. Once this meeting has been held, h/w will write to the remaining two directors for confirmation of their availability to an identical mediation taking place, in an attempt to resolve the outstanding issues.

6. RECEIPTS AND PAYMENTS

- 6.1 A summary of our Receipts and Payments covering the period 21 August 2015 to 25 August 2015, together with a cumulative total for the entire period of Administration is enclosed at Appendix A.

7. POST APPOINTMENT PROFESSIONAL FEES

- 7.1 The Company's unsecured and preferential creditors have approved that the basis of our remuneration be fixed by reference to time properly spent by us and our staff in managing the Administration.
- 7.2 Our time costs for the period from 21 August 2015 to 25 August 2015 total £311.70. This represents 1.80 hours at an average rate of £173.17 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by us in managing the Administration. No fees or disbursements have been drawn during the period of this report.
- 7.3 A justification for our time costs since the date of our last report is provided below:-
 - 7.3.1 Corresponding with h/w in relation to the mediation meetings to be held to discuss the outstanding matters as detailed in Section 5 of this report.
 - 7.3.2 Preparing the relevant paperwork and report in connection with the proposed Court extension.
 - 7.3.3 The above is in addition to the Joint Administrators' statutory duties which includes statutory reporting to the Company's creditors.
- 7.4 Also attached as Appendix C is a Cumulative Time Analysis for the period from 24 April 2014 to 25 August 2015 which provides details of our time costs since appointment.

- 7.5 A Creditors' Guide to Administrators' Fees is available and provides explanations of creditors' rights. This can be accessed via the Internet at www.thepandagroup.co.uk/requirements or alternatively a copy can be requested by telephoning The P&A Partnership Limited Help Desk +44 (0)114 275 5033.
- 7.6 Enclosed at Appendix D is additional information in relation to The P&A Partnership Limited's policy on staffing, the use of subcontractors, disbursements and details of our current charge out rates by staff grade.
- 7.7 Additional post-appointment professional costs are as follows -
- 7.7.1 We have retained the services of Charterfields and they are to be paid a fee equating to 10% of the sales consideration plus disbursements. Charterfields have received the sum of £237 which is in relation to disbursements in the Services matter. However as ownership of the Tyros Keyboards have yet to be determined, an element of these disbursements may have to be transferred from Services. Charterfields do not have any further outstanding fees or disbursements.
- 7.7.2 h/w remain instructed to provide legal advice and are currently assisting with the outstanding matters detailed in Section 5 of this report. At present, h/w are in the process of arranging a mediation meeting between the Company's directors in an attempt to resolve the outstanding issues in this matter. In addition, h/w are also assisting in the preparation of the application to Court in order to obtain the Courts consent to the extension of the Administration period of a further eighteen months. h/w's remuneration is calculated on a time cost basis. h/w have not received any fees or disbursements during the period of this report. However, h/w have outstanding costs incurred to date totalling £717. In addition, future costs associated with the application to Court are expected to be in the region of £1,000.

8. CREDITORS' RIGHTS

- 8.1 Any secured creditor, any 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 our remuneration and expenses.
- 8.2 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 us are excessive or the basis fixed for our remuneration is inappropriate. Such an application to the Court must be made within eight weeks of the date of receipt of this progress report.

9. ESTIMATED OUTCOME

9.1 Secured Creditor (s)

Following a review at Companies House, there are no charges registered against the Company.

9.2 Preferential Creditors

Upon appointment, all one hundred and forty nine employees were written to advising them that the Company had been placed into Administration and had ceased to trade and that unfortunately they were made redundant as of 24 April 2014

The Company had failed to make any compensatory payments to these former employees therefore, originally it was estimated that preferential claims in respect of The Redundancy Payments Office ("RPO") and employees would be in the region of £93,774 and £16,879 respectively

Following the resolution of some discrepancies the RPO have now submitted their final claim within the Administration totalling £80,310.44 and £6,179.91 in respect of the RPO and employees. As advised previously, the reduction in the claims relate to claims being either rejected or amended by the RPO

We continue to anticipate that a distribution will be made available to the preferential creditors, once all matters have been resolved within the Administration

9.3 Unsecured Creditors

The Company's books and records indicated that the claims of the unsecured creditors amounted to £480,358

Creditor claims received to date total £267,494. However, as stated in Section 2, there will be insufficient realisations to enable a dividend to be paid to the unsecured creditors in this matter

- 9.4 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 there is no security held against the Company, the above provisions will not apply


10. ENDING THE ADMINISTRATION

- 10.1 We propose to extend the period of the Administration by a further eighteen months to allow sufficient time to realise outstanding monies and assets as detailed in Sections 4 and 5 of this report. Therefore, we are currently in the process of making an application to Court to request an extension in this matter
- 10.2 Once all outstanding funds have been realised and all matters have been concluded within the Administration, a distribution will be made to the preferential creditors. Once a distribution has been made, the Company will proceed to dissolution. This option was detailed within our Proposals approved by creditors on 9 June 2014
- 10.3 We will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon our appointment as Administrators ceasing to have effect

11. FUTURE REPORTING

- 11.1 We are required to provide a further progress report within one month of the expiry of the next six months of the Administration or sooner if administration has concluded or if it proves necessary to extend the period of the Administration

Dated this 25th day of August 2015

A handwritten signature in black ink, appearing to be 'J Russell', written over the printed name.

John Russell
Joint Administrator
Acting as agent of the Company
without personal liability

**ABACUS CARE HOME CARE AND NURSING SERVICES (ORMSKIRK) LIMITED
IN ADMINISTRATION**

APPENDIX A

**RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD 21 AUGUST 2015 TO
25 AUGUST 2015**

**(TOGETHER WITH A CUMULATIVE TOTAL FOR THE ENTIRE PERIOD OF
ADMINISTRATION)**

ABACUS CARE HOME CARE & NURSING SERVICES (ORMSKIRK) LIMITED

**RECEIPTS & PAYMENTS ACCOUNT
21 AUGUST TO 25 AUGUST 2015**

	Statement of Affairs (£)	21/08/2015 to 25/08/2015 (£)	24/04/2014 to 25/08/2015 (£)
RECEIPTS			
Office Furniture & Equipment	1,000	-	1 000 00
Motor Vehicles x 3 Smart Cars	5,100	-	6,460 00
Book Debts	159,835	-	117,727 05
Other Debts	Uncertain	-	-
Contribution to Costs	-	-	5,000 00
Cash at Bank	59,986	-	60,330 52
Directors Loan a/c Mrs J Fielding	18,378	-	-
Directors Loan a/c Mrs K Fielding-Link	17,616	-	-
Directors Loan a/c Mr N Fielding	979	-	-
Cash in Hand	-	-	3,762 18
Bank Interest Gross	-	-	28 69
			<u>194,308 44</u>
PAYMENTS			
Pre Appointment Legal Fees & Disbursements		-	2,690 00
Post Appointment Legal Fees		-	4,134 50
Post Appointment Legal Disbursements		-	127 50
Pre-Administration Fees		-	14,870 00
Office Holders Fees		-	119,000 00
Specific Bond		-	264 00
Incidental Outlay - Category 1 Disbursements			
Room Hire		-	100 00
Incidental Outlay - Category 2 Disbursements			
Pre-Appointment Mileage		-	182 66
Pre-Appointment Searches		-	10 94
Mileage		-	113 84
Postage		-	567 04
Storage		-	9 810 00
Pre Appointment Agents Fees & Disbursements		-	400 00
Post Appointment Agents Fees		-	2 100 00
Post Appointment Agents Disbursements		-	849 74
Wages		-	800 00
Bank Charges		-	15 50
VAT Not Recoverable		-	31,057 52
Statutory Advertising		-	151 64
Insurance of Assets		-	477 00
Corporation Tax		-	4 60
PR Fees		-	150 00
			<u>187,876 48</u>
Balance			<u>6 431 96</u>
Balance in Hand represented by			
Interest bearing account		6,431.96	
Non-interest bearing account		-	
VAT Receivable		-	
		<u>6,431 96</u>	

**ABACUS CARE HOME CARE AND NURSING SERVICES (ORMSKIRK) LIMITED
IN ADMINISTRATION**

APPENDIX B

TIME COST SUMMARY FOR THE PERIOD 21 AUGUST 2015 TO 25 AUGUST 2015

A371414

Abacus Care Home Care and Nursing Services

25 August 2015

SIP 9 - Time & Cost Summary

Period 21/08/15 25/08/15

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	IP/Director	Manager	Other Senior Professionals	Assistants	Total Hours		
Administration & planning	0 00	0 40	1 20	0 00	1 60	265 70	166 06
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisations of assets	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Case specific matters	0 00	0 20	0 00	0 00	0 20	46 00	230 00
Pre Sip9 Time Recording	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours	0 00	0 60	1 20	0 00	1 80	311 70	173 17
Total Time Cost (£)	0 00	138 00	173 70	0 00			

**ABACUS CARE HOME CARE AND NURSING SERVICES (ORMSKIRK) LIMITED
IN ADMINISTRATION**

APPENDIX C

TIME COST SUMMARY FOR THE ENTIRE PERIOD OF ADMINISTRATION

A371414

Abacus Care Home Care and Nursing Services

25 August 2015

SIP 9 - Time & Cost Summary

Period 24/04/14 25/08/15

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	IP/Director	Manager	Other Senior Professionals	Assistants	Total Hours		
Administration & planning	35 20	22 35	106 81	7 10	171 46	37,379 61	218 01
Investigations	11 50	101 40	34 60	0 00	147 50	40 658 60	275 65
Realisations of assets	10 70	0 90	170 95	0 00	182 55	21 008 40	115 08
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	11 00	269 70	77 95	3 20	361 85	80,724 45	223 09
Case specific matters	1 70	4 00	84 85	0 00	90 55	17 725 85	195 76
Pre Sip9 Time Recording	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours	70 10	398 35	475 16	10 30	953 91	197 496 91	207 04
Total Time Cost (£)	23,440 50	99,278 00	74 368 41	412 00			

**ABACUS CARE HOME CARE AND NURSING SERVICES (ORMSKIRK) LIMITED
IN ADMINISTRATION**

APPENDIX D

**CREDITORS GUIDE TO THE FEES, EXPENSES AND DISBURSEMENTS CHARGED BY THE
P&A PARTNERSHIP LIMITED RATES APPLICABLE FROM 1 FEBRUARY 2015**

Creditors Guide to the Fees, Expenses and Disbursements charged by The P&A Partnership Limited
Rates applicable from the 1st February 2015

Details of Insolvency Practitioners Licensing Bodies

John Russell Brendan Ambrose Guilfoyle, Gareth David Rusling Ashleigh William Fletcher, Jeremy Michael Bennett and Joanne Louise Hammond are all licensed by the Insolvency Practitioners Association of Valiant House 4-10 Hencage Lane, London, EC3A 5DQ

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 Directors 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 Rate
	£
Directors/Office Holders	365
Senior Managers	325
Managers	305
Senior Administrators	230
Administrators	191
Junior Administrators	80
Support	40

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 be based on a higher rate to reflect such complexity or risk.

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 Limited 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, typically statutory advertising, searches, external room hire or travel expenses. 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. 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.

Introduction to Lending Sources

The P&A Partnership Limited 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 Conduct 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 Directors of The P&A Partnership Limited 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: A371414/J/KK