

The Insolvency Act 1986

**Administrators' progress report**

Name of Company Speymill Contracts Limited	Company number 03024385
In the High Court of Justice, Chancery Division, London	Court case number 9411 of 2012

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

We (a) Simon Harris, Mark Supperstone and Cameron Gunn, all of ReSolve Partners Limited, One America Square, Crosswall, London, EC3N 2LB

administrators of the above company attach a progress report for the period

from

to

(b) 8 November 2015

(b) 17 December 2015

(b) Insert dates

Signed

Joint Administrator

Dated

17.12.2015

**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 available to search.

ReSolve Partners Limited

RUPAL PARMAR

Tel 020 7702 9775

DX Number

DX Exchange



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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

FRIDAY

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**Speymill Contracts Limited**  
**In Administration ('Speymill' or 'the Company')**

**Joint Administrators' final progress report**  
**For the period 8 November 2015 to 17 December 2015**

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## 1 INTRODUCTION

As you may be aware, Cameron Gunn, Simon Harris and I, were appointed as Joint Administrators of the Company on 19 December 2012. This report is my final report on the progress of the Administration to date and should be read in conjunction with my proposals to creditors dated 18 January 2013 and my six progress reports to creditors (copies of which are available on request to this office free of charge)

Please find attached the statutory information relating to the Company at *Appendix I*

## 2 SUMMARY OF THE ADMINISTRATORS' PROPOSALS

The following proposals with the exception of (e) to (i), were approved at a meeting of creditors held on 5 February 2013. Proposals (e) to (i) were approved at a meeting of the creditors' committee on 25 March 2013.

- (a) They continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration such that
  - (i) they dispose of the Company's ownership of such assets at such time(s) on such terms as they consider expedient
  - (ii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company which supplies or has supplied goods or services to the Company, and
  - (iii) in addition, they do all such things and generally exercise all their powers as Joint Administrators as in their discretion they consider desirable or expedient in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to the Proposals dated 18 January 2013
- (b) In the event that the Joint Administrators are of the view that it is appropriate for the Company to move from Administration into Liquidation, whether compulsory or voluntary, the Joint Administrators be authorised to take steps to place the Company into whichever Liquidation process they deem appropriate. In either circumstance, it is proposed that the Joint Administrators take the appointment as Joint Liquidators of the Company. In relation to moving into Creditors' Voluntary Liquidation, and in accordance with Paragraph 83(7) and Rule 2.117(3), creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after the receipt of the Proposals and before 12 noon on 4 February 2013.
- (c) If the Joint Administrators consider that there will be no distribution to unsecured creditors and if they also consider that an exit from the Administration into Compulsory Liquidation is not appropriate, or the Joint Administrators apply to court to seek consent to distribute to the unsecured creditors and following the distribution, then the Joint Administrators be authorised to take the necessary procedural steps to bring about the end of the Administration and move the Company into dissolution pursuant to Paragraph 84 of Schedule B1 to the Act.
- (d) The Administration shall continue (subject to the statutory provisions relating to automatic termination) until the realisable assets of the Company have been realised and all liabilities incurred during the Administration have been discharged or until such a time as deemed appropriate by the Joint Administrators. At this stage the Company shall be dissolved or placed into Liquidation as outlined above. If necessary, the Joint Administrators will propose to seek an extension of their appointment as Joint Administrators from the creditors and/or the Court pursuant to Paragraph 76 of Schedule B1 of the Act.
- (e) Upon the Company either proceeding into Creditors Voluntary Liquidation or dissolution as set out above, the Joint Administrators' discharge from liability, pursuant to Paragraph 98 of Schedule B1 shall take effect 14 days following either the Company entering into Liquidation or filing the notice of moving from Administration to dissolution.
- (f) The Joint Administrators are at liberty to incur and pay such costs and expenses, including professional fees, as considered to be incidental to the achievement of the purpose of the Administration or for the purposes set out herein or to the Administrators' statutory duties. In addition, the Joint Administrators are to be remunerated by reference to time properly spent both for their services as Joint Administrators and also for their staff in attending to the matters arising in the Administration of the Company, charged at the charge out rates prevailing at the time the work is undertaken. Such remuneration to be drawn from time to time, subject to available funds.

- (g) ReSolve Partners Limited shall be authorised to discharge their outstanding costs and expenses relating to the pre appointment period (as detailed earlier in this report) as an expense of the Administration to be paid out of the assets of the Company as and when funds permit
- (h) The Joint Administrators are at liberty to recharge disbursements as detailed in the Creditor's Guide to Administrators' Fees. Shared and allocated costs are to be charged as follows
- Photocopying 20 pence per sheet
  - Faxes/telephone/room hire £150 per annum
  - Postage Typical 1st/2nd class postage rates at the date of postage
  - Mileage 40 pence per mile
- (i) The Joint Administrators are at liberty to pay costs and remuneration in relation to Proposals (f), (g) and (h) above when funds become available
- (j) The Joint Administrators shall consult with the creditors' committee, if formed, at appropriate intervals concerning the conduct of the Administration and the implementation and development of these Proposals and where they consider it expedient to obtain the sanction of that committee on behalf of the creditors of the Company (and without further reference to them) to any proposed action on the part of the Joint Administrators

### 3 STEPS TAKEN DURING THE ADMINISTRATION

Since my appointment I have taken the following actions (not exhaustive)

#### 19 December 2012 to 7 November 2015

- Recovered £115,334 VAT bad debt relief by virtue of claims made to HM Revenue and Customs,
- Recovered further pre administration deposits paid by the Company,
- Obtained legal and Counsel advice on the Letters of Financial Support. Please refer to my previous progress reports for further information on this matter,
- Obtained legal and Counsel advice in respect of the Whitbread PLC (Whitbread) claims and liaised with my solicitors regarding the Company's outstanding book debts and the Company's claim against it and finalised a settlement in the sum of £137,500,
- Held various meetings and correspondence with Whitbread regarding recoverability of outstanding debtors,
- Corresponded with my agent and various contract employers in respect of outstanding book debts, costs to complete contracts and defects, counter claims and claims in relation to performance bonds,
- Liaised with accountants in respect of the submission of outstanding tax returns to the date of Administration,
- Dealt with creditor queries and individual update requests,
- Addressed the general administrative duties of the Administration,
- Obtained Court extensions of the Administration for the 12 month period 18 June 2015 and for the 6 month period to 18 December 2015,
- Recovered £38k on the Camberley contract,
- Recovered the £50k settlement of the Arbitration claim,
- Recovered an insurance refund and a dividend from an insolvent debtor,
- Liaised with and updated the Creditors' Committee in respect of relevant matters, and
- Addresses all statutory duties associated with the Administration

## 8 November 2015 17 December 2015

- Dealt with preferential creditor claims,
- Adjudicated upon and completed a preferential distribution (further details provided at section seven of this Report),
- Dealt with creditor queries and individual update requests,
- Addressed the general administrative duties of the Administration,
- Liaised with and updated the Creditors' Committee in respect of relevant matters, and
- Addresses all statutory duties associated with the Administration

## 4 OUTCOME OF THE ADMINISTRATION

The purpose 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 to be wound up (without first being in Administration). This purpose has been fully achieved as debtor recoveries would likely have been minimal had the Company been placed into Liquidation. This has enabled a distribution to be made to preferential creditors, as outlined at section seven of this report.

The Administration of the Company will end by filing notice of dissolution with the Registrar of Companies. The Company will then automatically be dissolved by the Registrar of Companies three months after the notice is registered.

## 5. RECEIPTS AND PAYMENTS

The Administration has now been concluded. The Administrators' receipts and payments account for the period from 19 December 2012 to 17 December 2015 is attached at **Appendix II**.

## 6 ASSETS

### Creditor funding

In order to assist with the Administration process and in an attempt to maximise the return to creditors, I sought creditor funding from Speymill plc (SPLC) in the amount of £24,585. These funds were used to pay for the Company's agreed share of the December 2012 quarter rent (which was due within a week of the Company being placed into Administration) and for assistance from two directors with various aspects of the Administration. This sum was repaid to SPLC during the course of the Administration.

At the same time, a further sum totalling £10,875 was received from SPLC representing its share of the December 2012 quarter rent and a small overpayment. Both rent payments were made to the landlord and the Company has no further lease obligations.

### Furniture & Equipment

My agent, Lambert Smith Hampton (LSH), finalised the sale of the furniture and equipment located at the Company's head office for £5,500 plus VAT. LSH charged and were paid £3,302 plus VAT in respect of their work in valuing, marketing and selling the assets.

A sale of sundry phone and computer equipment to former staff generated £333.

### Contract rebates, Rates rebates and petty cash

Since my appointment I have received five rebates totalling £35,688 relating to unexpended funds on contracts entered into by the Company.

I have received and banked £6,085 in respect of business rates' rebates and £8 in petty cash.

The Company obtained a refund of £5,000 in respect of a pre administration deposit paid to Surrey County Council.

The Company obtained an insurance refund of £441 on 25 March 2014 in respect of a pre administration policy with Legal and General

Small sundry refunds were also received totalling £244

### **Debtors/Contracts**

I appointed Acasta Consulting (Acasta) as my collection agent to assist me maximise the return to creditors in respect of the Company's debtors

Creditors may recall the Company's debtor ledger totalled circa £4m on appointment, split into two primary categories, In-Progress Contracts, being the 'live' contracts in place with the Company and Completed Contracts, being those that had achieved 'practical completion' for which sums had become due. In most cases the Completed Contracts were made up of retention monies due from Whitbread PLC (Whitbread). I have summarised the position below

#### Book debts – Whitbread Group Plc (Whitbread)

Speymill's primary debtor is Whitbread in the sum of circa £1.5m. I had numerous meetings and negotiations with Whitbread and its solicitors in respect of the debts owed to Speymill. Whitbread claimed various and substantial set-offs which purport to exceed the value of Speymill's claims, but failed to provide adequate support for the claims.

Creditors may recall that Counsel supported our claim and negotiations continued. A settlement of £137,500 was reached a few months ago. The settlement was recommended to be accepted by our appointed agent, Acasta.

#### Book debts – Other

The Company obtained a first and final dividend of £27,265 on 16 January 2014 in respect of a book debt from Bluebird Holdings Limited – In Creditors' Voluntary Liquidation. The total debt was £402,686.

Acasta continued to monitor the employers' progress of the 'In-Progress Contracts' and pursue any outstanding debts on same. In this respect, Acasta successfully recovered £38,437.89 on the Camberley contract and £12,500 on the Lincoln project, in respect of a latent defects policy. £50,000 was recovered in respect of the Raby House matter.

### **Pre Administration VAT Claim**

As at the date of my appointment, the Company had outstanding VAT returns for the periods 1 September 2012 to 30 November 2012 and 1 December 2012 to 18 December 2012.

With the assistance of former employees, I arranged for the completion and lodgement of both returns. The Company's net VAT claim of HM Revenue & Customs (HMRC) to 18 December 2012 was £223,433.

Creditors will be aware from my proposals that HMRC has the ability to apply Crown set-off against these sums. HMRC offset the amount payable to the Company in full, against unpaid PAYE and NIC due to HMRC of £69,701 and sums advanced to the redundant employees by the Redundancy Payments Office of around £156,732.

### **VAT Bad Debt Relief Claim**

A total VAT bad debt relief claim was successfully identified and over the course of the Administration, an amount totalling £138,251 was received. This was slightly higher than expected.

As this was received prior to the settlement with Whitbread, the VAT element of the Whitbread settlement (£22,917) was refunded to HM Revenue and Customs.

## 7 DIVIDENDS

A dividend will not be declared to non-preferential unsecured creditors as the funds realised have been used to make payments to preferential creditors and to meet the costs and expenses of the Administration

### Secured creditors

Lloyds TSB Bank plc (Lloyds) was the only known secured creditor in the amount of £50,404 as at the date of my appointment. Lloyds held a debenture containing fixed and floating charges over the Company's assets in respect of an overdraft facility provided to the Company. The debenture was created on 5 July 2007 and registered at Companies House on 4 August 2007.

Lloyds were given a guarantee and indemnity by SPLC in the amount of £500,000 for this facility. SPLC has a subrogated secured debt totalling £52,966 after it paid out the secured claim held by Lloyds TSB Bank plc (Lloyds).

Whilst I initially considered there to be sufficient realisations to enable payment to the secured creditor, this was not achievable.

### Preferential creditors

The only known preferential creditors relate to the claims of former employees of the Company in respect of unpaid wages and holiday pay.

Preferential claims for wages are subject to a maximum limit set by the insolvency legislation of £800. Any balance of wages is unsecured. There is no limit in respect of outstanding holiday pay. All employees at the date of Administration transferred to the Purchaser under TUPE as part of the sale of the business and certain assets of the Company.

The Redundancy Payments Service (RPS) had a preferential claim for advances made to former staff of £28,056. Crown set-off was applied by the RPS against a VAT refund due to the Company and so this has been settled in full.

On 14 December 2015, a first and final dividend of £7,500 was declared to the balance of preferential creditors, representing a dividend of 27.29 pence in the pound on agreed claims totalling £27,483.

### Non-preferential unsecured creditors

#### *Prescribed part*

The Statement of Affairs included 428 unsecured creditors with an estimated total liability of £18,852,208. I have received claims from 161 creditors at a total of £35,155,623. I have not received claims from 267 creditors with original estimated claims in the statement of affairs of £1,365,255. No adjudication of claims has been completed.

There are provisions of the insolvency legislation that require the Administrators to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a floating charge over its assets to a lender on or after 15 September 2003. This is known as the prescribed part of the Company's net property. A Company's net property is that amount left after paying the preferential creditors, but before paying the lender who holds a floating charge. The Administrators have to set aside 50 per cent of the first £10,000 of the net property and 20 per cent of the remaining net property up to a maximum of £600,000.

As previously advised, the Company gave a floating charge to Lloyds (now subrogated to SPLC) and the Prescribed Part provisions will apply. On the basis of realisations to date, together with realisations, and after taking into account the costs of the Administration to date, the net property of the Company is nil.

In view of the above, there have not been any distributions to unsecured creditors.

## 8. INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation. I took into account the public interest,



potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. These investigations are now complete.

Within six months of my appointment as Administrator, I am required to submit a confidential report to the Department for Business, Innovation and Skills to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present director would make him unfit to be concerned with the management of a company. I confirm that the Administrators' report has been submitted on 18 June 2013.

## 9. PRE-ADMINISTRATION COSTS

In my previous reports I provided details of my pre-appointment time costs of £33,904. I have not drawn my pre-appointment time costs in this Administration, which will be written off.

## 10. ADMINISTRATORS' REMUNERATION

My remuneration was previously authorised at a meeting of the Creditors' Committee on 25 March 2013 to be drawn on a time cost basis.

My time costs to 17 December 2015 amount to £384,867, representing 1,219 of hours work at an average charge out rate of £316 per hour, of which 19 hours totalling £6,473 was charged in the period between 8 November 2015 and 17 December 2015, at an average charge out rate of £348 per hour.

I have drawn £225,000 to date, of which £45,000 was drawn in the period between 8 November 2015 and 17 December 2015. The balance of the Administrators' time costs will be written off.

A schedule of the Administrators' charge out rates, disbursement policy and a narrative description of the work undertaken in the Administration to date, together with the time costs incurred to date is attached as **Appendices III and IV**.

A copy of 'A Creditors Guide to Administrators' Fees' published by the Association of Business Recovery Professionals is available at the link - <http://www.resolvegroupuk.com/resources>. Please note that there are different versions of the Guidance Notes, and in this case you should refer to guides dated between 1 November 2011 and 30 September 2015. A hard copy of this document can be obtained, free of charge, on request from the Administrators' office.

## 11. ADMINISTRATORS' EXPENSES

The Administrators' expenses to 17 December 2015 amount to £6,936, of which £337 was incurred in the period between 8 November 2015 and 17 December 2015. Of the total, £3,474 was incurred in respect to category 2 disbursements. I confirm the basis of charging category 2 disbursements was approved by the creditors' committee on 25 March 2013.

The Administrator's expenses are summarised below:

	Amount incurred / accrued to date	Amount still to be paid
<b>Category 1 disbursements</b>		
Advertising	£185 85	£185 85
Bonding	£528 00	£528 00
Travel (train and taxi)	£426 40	£426 40
Company searches	£7 00	£7 00
Database licence fee	£110 00	£110 00
Postage and teleconferencing	£1,706 08	£1,706 08
Mail redirection	£110 00	£110 00
Room hire	£224 58	£224 58
Telephone conferencing	£100 16	£100 16
Subsistence	£63 20	£63 20
	<b>£3,461.27</b>	<b>£3,461.27</b>

## Category 2 disbursements

Management fee	£450 00	£450 00
Mileage (own car)	£120 12	£120 12
Printing and postage	£2,905 17	£2,905 17
	<b>£3,475 29</b>	<b>£3,475.29</b>
<b>Total disbursements</b>	<b>£6,936 56</b>	<b>£6,936 56</b>

Please note the above costs exclude VAT

The Administrators' have not recovered any expenses All outstanding expenses will be written off

The following agents or professional advisors have been utilised in this matter

Professional Advisor	Nature of Work	Fee Arrangement	Paid to date (excl. VAT)	Est Outstanding and Future Fees (excl. VAT)
Lambert Smith Hampton	Valuer and auctioneer	Time costs	£2,500 00	£0 00
		Disbursements	£802 46	£0 00
Gateley Plc	Solicitors (general advice)	Time costs	£73,571 00	£0 00
		Disbursements	£12,205 12	£0 00
Acasta Consulting (Scotland) Ltd	Construction	Initial fixed fee	£5,000 00	£0 00
		15 / 20 per cent on collections	£44,950 22	£0 00
Birketts LLP	Solicitors (appointment advice)	Time costs	£3,258 00	£0 00

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

Advice provided by Gateley Plc included

- Appointment formalities
- Obtaining the evidence on the financial support letter
- Assisting with the debtor recoveries, including meeting with Whitbread and reviewing all correspondence
- Assisting with claims of certain creditors, and
- Assisting with extensions of Administration

The fees charged by Lambert Smith Hampton were offset against the sales consideration received for the furniture and equipment

## 12 FURTHER INFORMATION AND COMPLAINTS

An unsecured creditor may, with the permission of the court or with the concurrence of five per cent in value of the unsecured creditors (including the creditor in question) request further details of the Administrators' remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of ten per cent in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Administrators' fees and the amount of any proposed expenses or expenses already incurred, within eight weeks of receipt of this report. Any secured creditor may make a similar application to court.

within the same time limit

Should you have any comments or complaints regarding this Administration, please contact Cameron Gunn in the first instance. If you consider that we have not dealt with your comment or complaint appropriately, you may request we perform an internal independent review of your complaint. This review would be undertaken by a person within ReSolve not involved in the Administration. A request for a review can be made in writing to the Compliance Manager, ReSolve Partners Limited, One America Square, Crosswall, London, EC3N 2LB or by email to [mark.supperstone@resolvegroupuk.com](mailto:mark.supperstone@resolvegroupuk.com)

If you still feel that you have not received a satisfactory response then you may be able to make a complaint to the Complaints Gateway operated by the Insolvency Service. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, or you may email [ip.complaints@insolvency.gov.uk](mailto:ip.complaints@insolvency.gov.uk), or you may phone 0845 602 9848. The Complaints Gateway will in turn determine if such complaint should be addressed by Mr Gunn's, Mr Supperstone's, and Mr Harris' regulatory body.

### 13. SUMMARY

The Administration is now complete in accordance with my proposals and the files will be closed.

Yours faithfully  
For and on behalf of  
Speymill Contracts Limited



Mark Supperstone  
**Joint Administrator**

*For enquiries regarding this correspondence please contact*

Contact name Rupal Parmar  
Phone number 020 3370 3126  
Email [rupal.parmar@resolvegroupuk.com](mailto:rupal.parmar@resolvegroupuk.com)

The affairs, business and property of the Company are being managed by the joint administrators.  
Principals, Partners, Directors and staff acting as administrators, administrative receivers or supervisors act as agents of the company over which they are appointed at all times and without personal liability.  
Cameron Gunn, Mark Supperstone and Simon Harris are licensed in the United Kingdom by the Institute of Chartered Accountants in England and Wales.

## APPENDIX I

### STATUTORY INFORMATION

Company name	Speymill Contracts Limited
Previous names	Speymill Tripp Limited Dean Contracts Limited Tayvin 20 Limited
Company number	03024385
Date of incorporation	21 February 1995
Principal trading address	Speymill House, Vantage Park, Washingley Road, Huntingdon, Cambridgeshire, PE29 6SR
Registered office	c/o ReSolve Partners Limited, One America Square, Crosswall, London, EC3N 2LB
Principal activity	Construction

### Appointment details

Date of appointment	19 December 2012		
Appointment made by	Speymill Plc (parent entity)		
Court address	High Court of Justice, Chancery Division, Companies Court, London		
Court reference	9411 of 2012		
Administrators appointed	Cameron Gunn	Insolvency Practitioner Number	9362
	Mark Supperstone	Insolvency Practitioner Number	9734
	Simon Harris	Insolvency Practitioner Number	11372
Paragraph 100(2) statement	Any act required or authorised under any enactment to be done by an administrator may be done by any or all of the Administrators acting jointly or alone		
Administration extension	On 16 December 2013 the creditors agreed to extend the Administration of Speymill Contracts Limited for a period of six months to 18 June 2014		
	On 3 June 2014 the Court granted an order extending the Administration for 12 months to 18 June 2015		
	On 15 June 2015 the Court granted an order extending the Administration for 12 months to 18 December 2015		
Subsequent liquidation	In the event of the Company subsequently being placed into liquidation, any enactment to be done by a liquidator may be done by any or all of the liquidators acting jointly or alone		

APPENDIX II

RECEIPTS AND PAYMENTS ACCOUNT

FOR THE PERIOD 19 DECEMBER 2012 TO 17 DECEMBER 2015

	Directors' statement of affairs £	19 December 2012 to 7 November 2015 £	8 November 2015 to 17 December 2015 £	Total £
<b>FLOATING CHARGE RECEIPTS</b>				
Book Debts	1,182,006 00	253,202 78	12,500 00	265,702 78
VAT Refund	304,379 00	115,334 31	-	115,334 31
Contractual Refunds	-	47,016 41	-	47,016 41
Contribution to Costs	-	24,585 00	-	24,585 00
Third Party Funding (non-refundable)	-	10,875 00	-	10,875 00
Sale of Furniture and Equipment	-	5,500 00	-	5,500 00
Insurance Refunds	-	441 43	-	441 43
Sale of Computer Equipment	-	333 33	-	333 33
Professional fees	-	250 00	-	250 00
Petty Cash	-	8 45	-	8 45
Retentions	633,004 00	-	-	-
Contracts	402,559 00	-	-	-
	<u>2,521,948 00</u>	<u>457,546 71</u>	<u>12,500 00</u>	<u>470,046 71</u>
<b>FLOATING CHARGE PAYMENTS</b>				
Agent / Consultancy fees		55,508 55	3,750 00	59,258 55
Repayment of contribution to costs		24,585 00	-	24,585 00
Rent		21,750 00	-	21,750 00
Legal fees & disbursements		88,834 12	200 00	89,034 12
Storage costs		21,913 73	15,008 50	36,922 23
Accountancy Fees		2,000 00	-	2,000 00
Agent / Consultancy disbursements		802 46	-	802 46
Office Holders' fees		180,000 00	47,487 67	227,487 67
Insurance		404 92	-	404 92
Professional fees		128 00	-	128 00
Statutory Advertising		84 60	-	84 60
Postage		62 00	-	62 00
Bank charges		27 12	-	27 12
		<u>396,100 50</u>	<u>66,446 17</u>	<u>462,546 67</u>
<b>DISTRIBUTIONS</b>				
Preferential creditors (27 29p in the £)		-	7,500 04	7,500 04
		-	<u>7,500 04</u>	<u>7,500 04</u>
<b>BALANCE</b>				
Receipts less payments		<u>61,446 21</u>	<u>(61,446 21)</u>	-

Mark Supperstone  
Joint Administrator

17 December 2015

## APPENDIX III

### ADMINISTRATORS' CHARGE OUT RATES, DISBURSEMENT POLICY AND NARRATIVE

#### Joint Administrators' charge out rates

The Joint Administrators are remunerated on a time cost basis. Charge-out rates used are appropriate to the skills and experience of a member of staff and the work that they perform. Time is recorded in six minute units. Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work.

The hourly charge-out rates used on this case are as follows

	£
Principal	490
Director	400
Senior Manager	385
Manager	325
Assistant Manager	295
Senior Administrator	245
Administrator	185
Junior Administrator	125

Secretarial and support staff are not charged to the cases concerned, being accounted for as an overhead of ReSolve Partners Limited.

#### Disbursement policy

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as travelling (non-mileage), postage, photocopying, statutory advertising and other expenses made on behalf of the assignment.

Indirect charges (Category 2 disbursements) require separate approval and the basis of charging these is as follows

- Photocopying 20 pence per sheet
- Faxes/telephone/room hire £150 per annum
- Mileage 45 pence per mile

#### Narrative of work carried out and to be carried out

A description of the routine work undertaken in the Administration to date is as follows

##### Pre-appointment

- Reviewing the Company's financial position and affairs
- Providing the Company restructuring advice
- Arranging for funding from SPLC
- Preparing the documentation and dealing with the formalities of appointment

##### Administration and Planning

##### **Case planning**

- Preparing the documentation and dealing with the formalities of appointment
- Attendance at Company's premises following appointment and subsequently to oversee removal of items and records
- Case planning and administration
- Day one matters (from trading category)

## **Cashiering**

- Liaising with the Company's bankers
- Maintaining and managing the Administrators' cashbook and bank account

## **General administration**

- Preparing documentation required
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details on Insolv
- Review and storage
- Case bordereau
- Liaising with the Company's landlord
  - General correspondence regarding the Company's occupation at the premises
  - Arranging a surrender of the lease
- Liaising with the Company's solicitors
  - General correspondence regarding the Company's pre-appointment affairs
- Liaising with the Company's accountant
  - General correspondence regarding the Company's accounts and financial position
  - Correspondence relating to entries made in the Company's accounts
  - Correspondence relating to submission of pre-appointment group VAT returns
- Correspondence with Gateley
  - General correspondence and meetings regarding legal advice pertaining to all matters relating to the Administration
  - Several meetings with Gateley to discuss legal advice on validity of appointment review, contract claims, arbitration claims, asset realisations and claims against same
- Correspondence with the Directors regarding non-investigative matters
  - Initial correspondence following appointment
  - Meetings following appointment
  - Numerous correspondence regarding obtaining access to Company's premises and records
  - General correspondence regarding update on progress
- Ensuring statutory lodgements and tax lodgement obligations are met

## **Creditors**

### **Secured**

- Reviewing registered securities

### **Unsecured**

- Dealing with creditor correspondence by letter, email and telephone
- Maintaining creditor information on Insolv
- Reviewing, and adjudicating on if necessary, proofs of debt received from creditors
- Liaison with HMRC regarding its claims and set off including arranging submission of the pre-appointment returns
- Liaising with Solicitors for a contingent claimant regarding the availability of records

### **Employees**

- Dealing with employee correspondence by letter, email and telephone
- Assistance with the submission of RP1 claim forms
- Dealing with employee queries regarding pensions, claims of the Redundancy Payments Office (RPO)
- Liaising with the RPO on claim discrepancies
- Completing a distribution to preferential creditors

### **Creditors' Committee**

- Preparation for teleconference meeting in March 2013 and dealing with queries from the Creditors' Committee
- Ongoing updates and dealings with the Committee by letter, email and telephone

## Investigations

### **General investigation (SIP 2)**

- Collection of books and records held at Company's premises
- Conduct investigations into suspicious transactions
- Review books and records to identify any transactions or actions an Administrator may take against a third party in order to recover funds for the benefit of creditors

### **D returns**

- Prepare a return pursuant to the Company Directors Disqualification Act
- Correspondence with The Insolvency Service on the same
- Review and storage of books and records

### **Other investigations**

- Investigation into the letter of financial support provided by SPLC to the Company
- Correspondence with the Directors and Gateley regarding the above and general investigations
- Correspondence with IT service providers regarding access to Company's server
- Analysis of financial information, including bank statement analysis

## Realisation of Assets

### **Book debts**

- Engaging Acasta to review and assist review and collect outstanding book debts
- Corresponding with Acasta, Gateley and employers re same
- Engaging Counsel to review various matters relating to claims against Whitbread plc
- Liaising with Whitbread and its solicitors, in the settlement of amounts due to the Company

### **Sale of business / assets**

- Liaising with agents regarding valuation and sale of assets
- Correspondence with employees regarding return of assets and offers for same

### **Property – freehold and leasehold**

- Correspondence with the landlord regarding short term access to the property and surrender of lease
- Arranging funding for the short term rent

### **Retention of title**

- Assessing retention of title claims

### **Other assets**

- Preparation of the VAT returns and VAT bad debt relief claim against HMRC
- Liaising with the Company's bank regarding the closure of the account
- Investigation into the arbitration case to determine recoverability of amounts due to the Company
- Collection of various refunds from pre-paid suppliers

## Statutory

### **Statutory paperwork / filing documents**

- Statutory form preparation

### **Reporting to creditors**

- Dealing with statutory reporting obligations under the Insolvency Act 1986 and the Statements of Insolvency Practice, including, but not limited to, the following
  - Drafting and filing documents with the Registrar of Companies



- Drafting and filing documents with the Court
- Convening and holding meetings of members and creditors
- Reporting to members, creditors, Creditors' committee, employees and other stakeholders
- Completion of report and proposals to creditors
- Completion of first six monthly progress report
- Completion of second progress report, including extension request to creditors
- Completion of third progress report, including further extension request to Court
- Completion of fourth progress report
- Correspondence with Gateley regarding assistance to apply for Court extension

#### Trading

All included in Administration and dealing with office on commencement of appointment

APPENDIX IV

ADMINISTRATORS' TIME COSTS SUMMARY

8 November 2015 to 17 December 2015

A total of 19 hours were spent at an average charge out rate of £348 bringing total time costs in this period to £6,473

A summary table is shown below

	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration & Planning									
Case planning / monitoring			2.80	826.00			2.80	826.00	295.00
General administration	0.50	245.00					0.50	245.00	490.00
	0.50	245.00	2.80	826.00			3.30	1,071.00	324.55
Creditors									
Preferential	1.00	490.00	3.00	885.00			4.00	1,375.00	343.75
Unsecured	3.60	1,440.00					3.60	1,440.00	400.00
	4.60	1,930.00	3.00	885.00			7.60	2,815.00	370.39
Realisation of Assets									
Book debts	0.70	280.00					0.70	280.00	400.00
Other assets	1.50	600.00					1.50	600.00	400.00
	2.20	880.00					2.20	880.00	400.00
Statutory									
Reporting to creditors	0.80	320.00	4.70	1,386.50			5.50	1,706.50	310.27
	0.80	320.00	4.70	1,386.50			5.50	1,706.50	310.27
Total hours and cost	8.10	3,375.00	10.50	3,097.50			18.60	6,472.50	347.98

The above costs exclude VAT

Cumulative

A total of 1,219 hours were spent at an average charge out rate of £316 bringing total time costs for the Administration to £384,867

A summary table is shown below

	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration & Planning									
Case planning / monitoring	1.20	480.00	25.10	9,006.50	2.10	316.50	28.40	9,803.00	345.18
Cashiering	1.60	703.00	14.00	4,472.00	3.80	635.00	19.40	5,810.00	299.48
Reporting									
General administration	17.50	8,350.00	61.90	20,657.50	79.80	15,097.00	159.20	44,104.50	277.04
	20.30	9,533.00	101.00	34,136.00	91.60	17,140.00	212.90	60,809.00	285.62
Creditors									
Secured	0.30	147.00	0.70	269.50			1.00	416.50	416.50
Preferential	1.00	490.00	3.00	885.00			4.00	1,375.00	343.75
Unsecured	51.70	23,479.00	134.60	41,441.00	98.00	16,424.00	284.30	81,344.00	286.12
Employees	7.10	3,038.00	7.40	2,345.00	13.40	2,767.00	27.90	8,150.00	292.11
Creditors committee	3.40	1,531.00	50.60	16,091.00			54.00	17,622.00	326.33
	63.50	28,685.00	196.30	61,031.50	111.40	19,191.00	371.20	108,907.50	293.39
Investigations									
General investigation	1.50	735.00	2.50	782.50			4.00	1,517.50	379.38
D returns			8.20	2,689.00	0.20	25.00	8.40	2,714.00	323.10
Other investigation	0.50	245.00	40.20	11,964.00			40.70	12,209.00	299.98
	2.00	980.00	50.90	15,435.50	0.20	25.00	53.10	16,440.50	309.61
Realisation of Assets									
Book debts	78.70	35,620.00	96.70	33,872.50			175.40	69,492.50	396.19
Sale of business / assets			11.40	3,606.00	1.40	259.00	12.80	3,865.00	301.95
Property freehold and leasehold	4.20	2,058.00	1.00	295.00			5.20	2,353.00	452.50
Retention of title			3.00	1,155.00			3.00	1,155.00	385.00
Other assets	26.70	12,948.00	172.90	53,393.50	4.80	768.00	204.40	67,109.50	328.32
	109.60	50,626.00	285.00	92,322.00	6.20	1,027.00	400.80	143,975.00	359.22
Statutory									
Statutory paperwork / form completion			21.70	6,884.50	0.60	111.00	22.30	6,995.50	313.70
Filing documents with CH / Court			0.60	186.00			0.60	186.00	310.00
Reporting to creditors	10.10	4,355.00	55.90	32,058.50	24.30	4,147.50	130.30	40,561.00	311.29
	10.10	4,355.00	118.20	39,129.00	24.90	4,258.50	153.20	47,742.50	311.64
Trading									
Day one matters					8.00	1,480.00	8.00	1,480.00	185.00
Ongoing trading administration	4.00	1,960.00	4.50	1,387.50			8.50	3,347.50	393.82
Close down					11.70	2,164.50	11.70	2,164.50	185.00
	4.00	1,960.00	4.50	1,387.50	19.70	3,644.50	28.20	6,992.00	247.94
Total hours and cost	209.50	96,139.00	755.90	243,441.50	254.00	45,286.00	1,219.40	384,866.50	315.62

The above costs exclude VAT

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