

The Insolvency Act 1986

**Administrator's progress report****2.24B**

|  |                                  |
|--|----------------------------------|
| Name of Company<br>D J Broady Limited  | Company number<br>03092767       |
| In the High Court of Justice<br>Chancery Division<br>Leeds District Registry | Court case number<br>249 of 2011 |

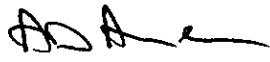
(a) Insert full name(s) and address(es) of administrator(s)

I/We (a) Adrian Allen of Baker Tilly Restructuring and Recovery LLP, 2 Whitehall Quay, Leeds, LS1 4HG and Alec Pillmoor of Baker Tilly Restructuring and Recovery LLP, Two Humber Quays, Wellington Street West, Hull, HU1 2BN

(b) Insert dates

|                              |                          |
|------------------------------|--------------------------|
| from<br>(b) 21 February 2011 | to<br>(b) 20 August 2011 |
|------------------------------|--------------------------|

Signed

  
Adrian Allen  
Joint Administrator

Dated

20.9.11

**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.

|                                 |                               |
|---------------------------------|-------------------------------|
| Emma Berridge                   |                               |
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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

THURSDAY



A56 22/09/2011 57  
COMPANIES HOUSE

**IN THE MATTER OF  
D.J. BROADY LIMITED IN ADMINISTRATION  
("THE COMPANY")**

**IN THE HIGH COURT OF JUSTICE  
CHANCERY DIVISION  
LEEDS DISTRICT REGISTRY  
NO 249 OF 2011**

**JOINT ADMINISTRATORS' PROGRESS REPORT**

**20 SEPTEMBER 2011**

**ADRIAN ALLEN AND ALEC PILLMOOR  
JOINT ADMINISTRATORS**

**APPOINTED 21 FEBRUARY 2011**

**BAKER TILLY RESTRUCTURING AND RECOVERY LLP  
2 WHITEHALL QUAY  
LEEDS, LS1 4HG**

**BAKER TILLY RESTRUCTURING AND RECOVERY LLP  
TWO HUMBER QUAYS, WELLINGTON STREET WEST  
HULL, HU1 2BN**

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## 1. PURPOSE OF REPORT

This report has been prepared in accordance with insolvency legislation to provide creditors with information relating to the progress of the Administration in the period from 21 February 2011 to 20 August 2011.

This report has been prepared solely to comply with the statutory requirements of Rule 2.47 of the Insolvency Rules 1986 (as amended). It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the Company. Any estimated outcomes for creditors are illustrative and may be subject to significant change. Neither the Joint Administrators nor Baker Tilly Restructuring and Recovery LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this report.

## 2. PROGRESS OF THE ADMINISTRATION

This section of the report should be read in conjunction with the Joint Administrators' proposals dated 12 April 2011. These proposals were deemed approved by the creditors on 3 May 2011 and notification of this approval was sent to all creditors on 11 May 2011.

### 2.1. Realisation of Assets

Our disposal strategy has taken into account the need to maximise realisations from assets that have an in-situ value in excess of their ex-situ value, including the single most valuable asset, the Wash Plant. This has involved us providing the connected party Robin Concrete and Waste Disposal Limited ("RCW") with an opportunity to make offers for assets prior to marketing and the sale of residual items at an auction held on 12 May 2011 by our agents, Leonards.

#### 2.1.1. Chattel Assets

Total realisations to date from the Company's operating assets are £461k, comprising £262k in respect of assets held on finance and £199k in relation to unencumbered assets, as follows:

|  | Sale to RCW<br>£'000 | Wash Plant<br>£'000 | Auction<br>£'000 | Total<br>£'000 |
|--|----------------------|---------------------|------------------|----------------|
| Encumbered Assets                                  |                      |                     |                  |                |
| Plant and Machinery                                | 28.0                 | 160.0               | 74.0             | 262.0          |
| Unencumbered Assets                                |                      |                     |                  |                |
| Plant, Machinery, Vehicles<br>and Garage Equipment | 40.2                 |                     | 156.9            | 197.1          |
| Office Fixtures and Fittings                       | 1.9                  |                     |                  | 1.9            |
|  | 42.1                 |                     | 156.9            | 199.0          |
| <b>Total</b>                                       | <b>70.1</b>          | <b>160.0</b>        | <b>230.9</b>     | <b>461.0</b>   |

The sale of the Wash Plant for £160k was made to a third party, who we understand has subsequently leased the asset back to RCW.

Total realisations from unencumbered plant and equipment, of £199k, are in excess of both the Directors' estimate of value per their Statement of Affairs, of £125k, and our agent's valuation, of £139k.

A Bacchus compost aerator remained unsold following the auction and is currently being marketed by Leonards. We anticipate that this asset will be sold in the next three months, either to a third party or to RCW. If you require any further details please contact them directly on 01482 375 212.

### **Finance Liabilities**

The Wash Plant and three other assets (sold in the auction) were subject to finance and outstanding finance charges of £85k have been settled out of the proceeds of sale. Aggregate equity in these assets amounted to c£177k as follows

| <b>Asset</b>          | <b>Realisations</b> | <b>Finance Charges</b> | <b>Equity</b> |
|-----------------------|---------------------|------------------------|---------------|
|                       | <b>£'000</b>        | <b>£'000</b>           | <b>£'000</b>  |
| Wash plant            | 160                 | (67)                   | 93            |
| Other financed assets | 102                 | (18)                   | 84            |
| <b>Total</b>          | <b>262</b>          | <b>(85)</b>            | <b>177</b>    |

Various assets which were subject to finance but in which there was no equity have been returned or otherwise assumed by RCW. These had an aggregate book value of £370k and related liabilities of £547k.

### **2.1.2 Furniture, Fixtures and Fittings**

Fixtures and fittings were sold to Robin Concrete for £2k on the advice of our agents. The directors did not anticipate any realisations from these items within the Statement of Affairs, due to associated costs of disposal. Our agents did not value these assets within their initial valuation but did assist in negotiating the sale.

### **2.1.3 Book Debts**

At the date of our appointment the Company's trade debts totalled c£338k, which is slightly higher than the figure of c£335k referred to in our proposals. These debts are subject to a debt purchase agreement with HSBC Invoice Finance (UK) Limited ("HSBCIF") which incorporates an assignment of any surplus in the debtor book to HSBC Bank Plc ("the Bank").

The majority of debts have now been either collected or written off but we are continuing to seek payment in respect of residual balances, of c£35k. Principal points to note are:

- Gross realisations to date amount to c£225k. This comprises c£185k paid directly to HSBCIF by debtors under the terms of its agreement and £40k paid by one debtor direct to the Administrators.

- Receipts net of collection charges and interest of c£2k are sufficient to repay HSBCIF's principal indebtedness of c£68k in full. The surplus funds held by HSBCIF of £115k are held to the order of the Bank under the terms of the asset purchase agreement. We understand that these funds are to be paid to the Bank in due course.
- The debt of £40k collected directly by the Administrators relates to a pre-appointment equipment sale which had been disputed by the debtor on the basis that the equipment was in need of repairs costing c£8k. We subsequently agreed with the debtor that we would settle the costs of repairs required and the debt has now been paid. Our receipts and payments account shows the gross debt collected and the repair charges are shown separately, under accounts payable.
- Contrasts of £74k relating to debtors who have set-off amounts owed to them on the Company's purchase ledger, against the debt due. This includes £13k in respect of third party creditors but mostly relates to £61k due from the connected company, RCW which has been off-set against the Company's liability of c£83k.

The current position is summarised as follows

|                             | £'000 | £'000        |
|-----------------------------|-------|--------------|
| Book Value at appointment   |       | 338          |
| Gross realisations to date: |       |              |
| HSBCIF                      | (185) |              |
| Administrators              | (40)  |              |
|                             |       | <u>(225)</u> |
|                             |       | 113          |
| Less Write Offs             |       | (3)          |
| RCL contra                  |       | (61)         |
| Other contras               |       | <u>(13)</u>  |
| Outstanding balances        |       | <u>36</u>    |

Some £23k of the outstanding balances relates to one debtor, East Coast Construction, which has disputed the debt and offered £3k in settlement. Neither we nor the directors consider that the dispute is valid and it appears that legal proceedings will be required if the debt is to be collected. Bearing in mind the existence of guarantees of the Bank's indebtedness from RCW's shareholders we have agreed to an assignment of the debt to RCW, which should be able to pursue this claim in a more cost effective manner than ourselves. The proceeds of the assignment are partly conditional upon the level of recoveries and will be a minimum of £3k.

The remaining debtors of £13k relate to retentions which expire over the course of the next 18 months. We are expecting the release of £2k of this at the end of September and would thereafter intend to seek to assign residual debts for value should that become appropriate.

#### **2.1.4 Group Balances**

Intra group balances have now been finalised and agreed. In our proposals we referred to a debt due to the Company of £102k from RCT Group Limited ("RCT"). This balance has now been fully off-set against sums due to RCT, in respect of the Company's final VAT liability of £112k which has been paid by RCT under the Group's VAT registration.

#### **2.1.5 Other Current Assets**

The Directors' Statement of Affairs included prepayments with a book value of £8k in respect of insurance payments and road tax licenses. The Joint Administrators have realised c£6.2k comprising:

- Road tax refunds, £3.2k,
- Rates rebates, £1.7k;
- VAT refund, £0.8k, and
- B&CE (Building & Civil Engineering) Scheme refund, £0.5k.

There was no refund receivable under the Company's insurance as the policy was a Group policy.

#### **2.1.6 Stock**

On the Directors' Statement of Affairs stock was valued at £1k. This was sold at auction and realised £0.5k.

On appointment the Company held on site a large quantity of wood chip, which our agents advised had a realisable value of less than the cost of disposal. It was also apparent that this stock was a potential environmental hazard. In consequence we agreed that RCW would take responsibility for its disposal at no cost to the Company.

#### **2.1.7 Legal Claim**

Rollits LLP solicitors ("Rollits") had been instructed by the Company prior to our appointment, to pursue damages against a third party in respect of services prior to our appointment. The claim of c£14k had been settled in part prior to our appointment and the balance receivable of £6k has been paid to the Joint Administrators.

#### **2.1.8 Interest**

Interest received in the period to 20 August 2011 amounted to £2.13.

#### **2.1.9 Leasehold Property**

The Directors' Statement of Affairs includes the depreciated cost of modifications to the office buildings, at a book value of £26k and a realisable value of £Nil. Our agents have confirmed that the lease of the premises in Hull has no intrinsic value and does not provide for any compensation to be paid to the Company on termination of the lease.

## 2.2. Connected Party Transactions

RCW is related by common ownership and shared administrative functions with the Company from shared premises in Hull. The assets sold to RCW are as follows:

| Asset                | Realisation<br>£'000 |
|----------------------|----------------------|
| Wash plant           | 160                  |
| Two vehicles         | 5                    |
| Workshop equipment   | 7                    |
| Large items of plant | 56                   |
| Office furniture     | 2                    |
| <b>Total</b>         | <b>230</b>           |

The payment for these items was made in instalments, the final one being received on 16 May 2011.

As noted above, RCW found a partner to purchase the Wash Plant on its behalf under the terms of an informal lease agreement but for completeness we have included this asset as a sale to a connected party for the purpose of this section.

As noted above, RCW has also taken over several asset finance agreements in which there was no equity available to the Company.

## 2.3. Investigations

The Joint Administrators have submitted a report to the Department of Trade and Industry in accordance with their statutory obligations as Joint Administrators. Our investigations covered the following matters:

- Pre-appointment transactions including those with connected parties,
- Level of creditor claims and potential for wrongful trading, and
- Breaches of statutory filing regulations

## 2.4 Administration and Planning

In the period since appointment, the Joint Administrators and their staff have also undertaken the following:

- Statutory filing of appointment documents at Companies House,
- Case planning and strategy,
- Requesting submission and filing of the Statement of Affairs,
- Handling receipts and payments;
- Corporation tax issues
- Submitting post appointment VAT paperwork;
- Corresponding with creditors; and
- Regular reporting to the secured creditors, and liaising with finance creditors.



### 3. ASSETS REMAINING TO BE REALISED

As noted above one piece of equipment and various book debts remain to be collected and we are in process of seeking to realise these assets. If realisation becomes protracted then we would intend to seek to assign the value of these assets so that the closure of the administration is not delayed unnecessarily

### 4. EXTENSION OF THE ADMINISTRATION

There have been no extensions of the Administration.

### 5. CREDITORS' CLAIMS AND DIVIDEND PROSPECTS

#### 5.1. Secured Creditors

The Company's assets are subject to the following principal securities

- The debt purchase agreement with HSBCIF referred to in Section 2 1 3 above which is dated 15 November 2006 and provides HSBCIF with ownership of the Company's book debts.
- Fixed and floating charges dated 1 February 1996 over the Company's undertaking and assets in favour of the Bank.

Our solicitors, Pinsent Masons LLP ("Pinsents"), following examination of the debt purchase agreement and the charge documents, have advised that these charges are valid and that:

- The proceeds of the debtor book should be paid to HSBCIF and then the Bank in priority to preferential and unsecured creditors
- The proceeds of all other assets should be paid to the Bank under its floating charge, subject to the prior ranking claims of the preferential creditors

At the date of appointment, the Bank and HSBCIF were owed a total of £494k, (including termination charges from HSBCIF of £4,800 including VAT) as follows

|        | £'000      |
|--------|------------|
| HSBCIF | 68         |
| HSBC   | 426        |
|        | <u>494</u> |

As noted above, HSBCIF has been repaid in full from book debt realisations. The debt due to HSBC of c£426k takes into account a receipt of £35k on the date of our appointment. In our proposals we included the Bank's indebtedness at £462k, which was before the receipt of this amount

The Bank has been paid £300k by the Administrators on account of floating charge realisations. At 20 August 2011 the Bank was owed a residual balance of £126k subject to accruing interest.

We have requested that HSBCIF transfer the current surplus on their account (£115k plus accruing interest) to the Bank in accordance with the terms of the debt purchase agreement, which would reduce the Bank's principal indebtedness to c£11k. Additional distributions may be possible dependent upon future realisations.

## **5.2. Preferential Creditors**

We have received details of 37 employees of the Company with preferential claims for arrears of wages and holiday pay. These claims are estimated to total £24k and have to a large extent been settled by the Redundancy Payments Office ("RPO") from which we are awaiting a formal subrogated claim.

There are sufficient funds to pay preferential creditors in full. We hope to be in a position to declare a preferential dividend within the next six weeks.

## **5.3. Unsecured Creditors**

The Directors' Statement of Affairs detailed c150 unsecured creditors with claims totalling £1.35m. To date, 86 claims have been received totalling £611k.

The Joint Administrators have taken no steps to adjudicate the claims received from unsecured creditors as it is unlikely that there will be sufficient funds available to allow a distribution to this class of creditor.

## **5.4. Prescribed Part**

The "Prescribed Part" is a statutory amount, calculated as a percentage of net floating charge realisations, which entitles unsecured creditors to a share of realisations. This is calculated on a sliding scale up to maximum of £600k before costs.

Since the Bank's floating charge was created prior to 15 September 2003 there is no requirement to estimate the amount of the Prescribed Part of the assets under Section 176A of the Insolvency Act 1986 (as amended).

# **6. RECEIPTS AND PAYMENTS SUMMARY**

We attach as Appendix B a summary of our receipts and payments for the period from 21 February 2011 to 20 August 2011.

## **VAT Basis**

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue & Customs shown separately.

# **7. COSTS AND JOINT ADMINISTRATORS' REMUNERATION**

## **7.1. Pre-administration costs**

The payment of pre-appointment Administration costs, totalling £12k, was approved by the Bank on 27 May 2011. Details are attached at Appendix H.

## **7.2. Joint Administrators' Remuneration and Disbursements**

We have incurred time costs of £63k, representing 342 hours, from our appointment on 21 February 2011 to 18 August 2011. An analysis of the time incurred in the period is attached at Appendix G

To date, the Bank has approved the drawing of fees totalling £40k plus VAT and these have been paid in full. A further request for fee approval is to be submitted in due course in respect of the balance of our time costs

Approval has also been received to our recovering the cost of disbursements, including Category 2 disbursements. Total disbursements incurred and paid during the period total £1.5k. Details of the current disbursement rates are attached at Appendix D. Category 2 disbursements incurred in the period are detailed in Appendix E

## **7.3. Details of work sub-contracted out**

As previously advised, Leonards were instructed to assist the Joint Administrators with the valuation and disposal of the Company's assets. Leonard's fees were agreed as a percentage of realisations, plus disbursements and VAT. Their total fees to date of £25,146 have been paid in full. Further fees payable to Leonards are dependent on the sale of the Bacchus compost aerator

In view of their expertise in these matters Pinsents have been instructed to assist with the formalities of appointment and any legal matters incurred post appointment, specifically in relation to debt collection. Pinsents' fees have been agreed on a time cost basis plus disbursements. Their pre-appointment fees of £3,500 plus VAT have been paid. Their post appointment time costs are £3,795, of which fees of £2,227 plus VAT have been paid along with disbursements of £41 plus VAT

Rollits solicitors had been instructed by the Company prior to our appointment, in respect of the claim for damages noted in paragraph 2.1.7 noted above. Rollits outstanding costs of £750 plus VAT have been paid.

## **8. JOINT ADMINISTRATORS' STATEMENT OF EXPENSES**

A statement of the expenses incurred during the period, is attached at Appendix F. This includes all expenses incurred by the Joint Administrators in the period of the report irrespective of whether they have been paid or not and may include estimated amounts where actual invoices have not been received. The receipts and payments abstract at Appendix B sets out the expenses actually paid in the period.

## **9. CREDITORS' RIGHT TO INFORMATION AND ABILITY TO CHALLENGE EXPENSES**

In accordance with the provisions of Rules 2.48A and 2.109 of the Insolvency Rules 1986 creditors have a right to request further information about remuneration or expenses (other than pre-administration costs) and to challenge such remuneration or expenses

A request for further information must be made in writing within 21 days of receipt of this report

Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to court that the remuneration charged, the basis fixed or expenses incurred by the Joint Administrator are in all the circumstances excessive.

Any such challenge must be made no later than eight weeks after receipt of the report which first discloses the charging of remuneration or incurring of the expenses in question

Should you have any further queries please do not hesitate to contact me



**A D Allen**  
**Baker Tilly Restructuring and Recovery LLP**  
**Joint Administrator**

Adrian Allen and Alec Pillmoor are licensed to act as Insolvency Practitioners in the UK by the Institute of Chartered Accountants in England and Wales

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

**Appendix A****STATUTORY INFORMATION**

|                            |   |
|----------------------------|---|
| Company Name:              | D.J Broady Limited  |
| Functions                  | <p>The Joint Administrators' appointment specified that they would have power to act jointly and severally.</p> <p>The Joint Administrators' have exercised, and will continue to exercise, all of their functions jointly and severally as stated in the notice of appointment</p> |
| Previous Company Names.    | Deamcrest Limited   |
| Company Number             | 03092767  |
| Date of Incorporation:     | 18 August 1995  |
| Registered Office:         | C/O Baker Tilly Restructuring and Recovery LLP, 2 Whitehall Quay, Leeds, LS1 4HG  |
| Previous Registered Office | Foster Street, Hull, HU8 8BT  |
| Trading Name:              | D J Broady Limited  |
| Trading Address            | D J Broady Limited  |
| Principal Activity         | Construction  |
| Appointor:                 | <p>The directors of the Company<br/>J R Thornham and M M Thornham<br/>The address for service for both directors is<br/>Foster Street, Hull, HU8 8BT</p>  |
| Shareholders:              | RCT Group Limited – 100 shares  |

**Receipts and Payments Abstract: D.J. Broady Limited in Administration ("the Company")**

Bank, Cash and Cash Investment Accounts. To. 20/08/2011

| SOA Value £                                 |                                  | £            | £                |
|---|----------------------------------|--------------|------------------|
| <b>SECURED ASSETS</b>                       |                                  |              |                  |
| 270,000                                     | Debtors (Pre-Appointment)        | 0 00         | 0 00             |
| <b>SECURED CREDITORS</b>                    |                                  |              |                  |
| (68,179)                                    | Claims                           | 0 00         | 0 00             |
| <b>FINANCE AND HIRE PURCHASE AGREEMENTS</b> |                                  |              |                  |
| 611,000                                     | Leased Assets                    | 262,000 00   |                  |
| (631,981)                                   | Leased Assets (Amounts Owing)    | (84,842 40)  | 177,157 60       |
| <b>ASSET REALISATIONS</b>                   |                                  |              |                  |
| 125,000                                     | Plant and Machinery              | 197,155 00   |                  |
|   | Furniture, Fixtures and Fittings | 1,890 00     |                  |
|   | Debtors (Pre-Appointment)        | 39,881 71    |                  |
|   | Other Current Assets             | 6,248 22     |                  |
| 1,000                                       | Stock/Inventory on Hand          | 426 00       |                  |
|   | Legal Claim                      | 6,170 00     |                  |
|   | Bank Interest Gross              | 2 13         |                  |
|   |                                  |              | 251,773 06       |
| <b>COST OF REALISATIONS</b>                 |                                  |              |                  |
|   | Accounts Payable (Non-Trading)   | (8,437 31)   |                  |
|   | Agents / Valuers Fees            | (25,146 02)  |                  |
|   | Appointee Costs                  | (1,462 59)   |                  |
|   | Appointee Fees                   | (40,000 00)  |                  |
|   | Legal Fees                       | (3,017 90)   |                  |
|   | Pre-Appointment Fees             | (12,118 60)  |                  |
|   |                                  |              | (90,182 42)      |
| <b>PREFERENTIAL CREDITORS</b>               |                                  |              |                  |
| (7,067)                                     | Holiday Pay                      | 0 00         |                  |
| (15,877)                                    | Wages                            | 0 00         |                  |
|   |                                  |              | 0 00             |
| <b>FLOATING CHARGE CREDITORS</b>            |                                  |              |                  |
|   | Claims                           | (300,000 00) | (300,000 00)     |
| <b>UNSECURED CREDITORS</b>                  |                                  |              |                  |
| (426,577)                                   | Banks/Institutions               | 0 00         |                  |
| (79,200)                                    | Employees                        | 0 00         |                  |
| (137,431)                                   | HM Revenue and Customs           | 0 00         |                  |
| (227,928)                                   | Trade and Expense Creditors      | 0 00         |                  |
|   |                                  |              | 0 00             |
| <b>EQUITY</b>                               |                                  |              |                  |
| (1)   | Ordinary shares                  | 0 00         | 0 00             |
| (587,241)                                   |                                  |              | <u>38,748 24</u> |

### **BAKER TILLY RESTRUCTURING AND RECOVERY LLP**

#### **CHARGING, EXPENSES AND DISBURSEMENTS POLICY STATEMENT**

##### **Charging policy**

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators.
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate.
- Time is recorded in 6-minute units at the rates prevailing at the time the work is done
- The current charge rates for Baker Tilly Restructuring and Recovery LLP Leeds are attached
- Time billed is subject to Value Added Tax at the applicable rate
- It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it
- Baker Tilly Restructuring and Recovery LLP's charge out rates are reviewed periodically

##### **Expenses and disbursements policy**

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to creditors, but do not require creditors' approval prior to being drawn from the insolvency estate. These are known as "Category 1" disbursements.
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) require the approval of creditors prior to being drawn from the insolvency estate. These are known as "Category 2" disbursements.
- A resolution to consider approving "Category 2" disbursements at the rates prevailing at the time the cost is incurred to Baker Tilly Restructuring and Recovery LLP Leeds will be proposed to creditors' in general meeting
- General office overheads are not re-charged to the insolvency estate as a disbursement.
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of creditors
- Where applicable, expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate

## Appendix D

### BAKER TILLY RESTRUCTURING AND RECOVERY LLP JOINT ADMINISTRATORS' CURRENT CHARGE OUT AND DISBURSEMENT RATES

| CHARGE OUT RATES   |                           |                   |
|--------------------|---------------------------|-------------------|
|                    | Rate at commencement<br>£ | Current rate<br>£ |
| Partner            | 305-375                   | 315-390           |
| Associate Director | 250-360                   | 260-295           |
| Manager            | 200                       | 210               |
| Administrator      | 120-135                   | 130-145           |
| Support staff      | 75-90                     | 80-95             |

| "CATEGORY 2" DISBURSEMENT RATES (TABLE B) |   |
|---|---|
| Photocopying                              | 0 5p per sheet (single sided), 1p per sheet (double sided)  |
| Subsistence                               | £23 per night   |
| Travel (car)                              | 38p per mile (up to and including 31 March 2010)<br>40p per mile (from 1 April 2010 to 31 March 2011)<br>42 5p per mile (from 1 April 2011) |



## Appendix E

### BAKER TILLY RESTRUCTURING AND RECOVERY LLP JOINT ADMINISTRATORS' CATEGORY 2 DISBURSEMENTS TABLE

| Amounts paid or payable to the Office Holder's firm or to any party in which the office holder or his firm or any associate has an interest |        |        |
|---|--------|--------|
| Recipient, Type and Purpose   | Paid   | Unpaid |
|   | £      | £      |
| Baker Tilly Restructuring and Recovery  |        |        |
| Travel Costs  | 239 20 | -      |
| Photocopying  | 613 80 | -      |
| <b>Total</b>  | 853 00 | -      |

## Appendix F

### STATEMENT OF EXPENSES INCURRED BY THE JOINT ADMINISTRATORS' IN THE PERIOD FROM 21 FEBRUARY 2011 TO 20 AUGUST 2011

| Type and Purpose                                 | Incurred in<br>Period |
|--|-----------------------|
|  | £                     |
| Agents / Valuers Fees - Leonards                 | 25,146 02             |
| Joint Administrators' Fees                       | 62,877 00             |
| Joint Administrators' Disbursements – Category 1 | 609 59                |
| – Category 2                                     | 853 00                |
| Legal Fees - Pinsents                            | 3,795 00              |
| - Rollits  | 750 00                |
| Legal Disbursements                              | 41 00                 |
| <b>Total</b>                                     | <b>94,071.61</b>      |

**D J. Broady Limited**

**Joint Administrators' time costs in accordance with Statement of Insolvency Practice 9**

**Summary of Time Costs to 18 August 2011**

|                             | Partners        | Directors & Managers | Administrators   | Assistants    | Total Hours  | Total Time Costs (£) | Average hourly rate (£) |
|-----------------------------|-----------------|----------------------|------------------|---------------|--------------|----------------------|-------------------------|
| Administration and Planning | 3.6             | 12.2                 | 77.0             | -             | 92.8         | 15,273.00            | 164.58                  |
| Investigation               | -               | 1.1                  | 12.2             | -             | 13.3         | 2,089.50             | 157.11                  |
| Realisation of Assets       | 2.9             | 35.6                 | 77.2             | -             | 115.7        | 22,137.50            | 191.34                  |
| Creditors                   | 5.0             | 31.4                 | 78.0             | 5.4           | 119.8        | 23,377.00            | 195.13                  |
| <b>Total Hours</b>          | <b>11.5</b>     | <b>80.3</b>          | <b>244.4</b>     | <b>5.4</b>    | <b>341.6</b> |                      |                         |
| <b>Total Time Costs</b>     | <b>4,184.50</b> | <b>23,099.00</b>     | <b>35,213.00</b> | <b>380.50</b> |              | <b>62,877.00</b>     |                         |

**Charge-out Rates**

|                    |          |          |          |        |
|--------------------|----------|----------|----------|--------|
| As at 1 April 2010 | £305-375 | £200-360 | £120-135 | £75-90 |
| As at 1 April 2011 | £315-390 | £210-295 | £130-145 | £80-95 |

**Total costs claimed**

**Less billed on account:**

**Unbilled work in progress:**

|                  |           |
|------------------|-----------|
| £                | 62,877.00 |
| (40,000.00)      |           |
| <u>22,877.00</u> |           |

**D.J. Broady Limited****Joint Administrators' time costs in accordance with Statement of Insolvency Practice 9****To 18 August 2011****Summary of Time Costs for "Administration and Planning"**

| HOURS SPENT                        | Partners   | Managers    | Administrators | Assistants | Total Hours | Total Time Costs  |
|------------------------------------|------------|-------------|----------------|------------|-------------|-------------------|
| Appointment                        | 0.4        | 0.0         | 11.0           | 0.0        | 11.4        | £1 607.00         |
| Background information             | 0.0        | 0.0         | 2.6            | 0.0        | 2.6         | £351.00           |
| Case Management                    | 2.7        | 9.9         | 22.1           | 0.0        | 34.7        | £6 970.00         |
| Post-appointment - general         | 0.2        | 0.0         | 0.0            | 0.0        | 0.2         | £61.00            |
| Post-appointment taxation          | 0.0        | 0.0         | 1.8            | 0.0        | 1.8         | £234.00           |
| Receipts and Payments              | 0.0        | 0.8         | 24.5           | 0.0        | 25.3        | £3 368.00         |
| Shareholders/Director/Debtor/ Bkpt | 0.3        | 1.5         | 0.1            | 0.0        | 1.9         | £533.50           |
| Statement of Affairs               | 0.0        | 0.0         | 14.9           | 0.0        | 14.9        | £2 148.50         |
| <b>Totals</b>                      | <b>3.6</b> | <b>12.2</b> | <b>77.0</b>    | <b>0.0</b> | <b>92.8</b> | <b>£15,273.00</b> |

**Summary of Time Costs for "Investigations"**

| HOURS SPENT         | Partners   | Managers   | Administrators | Assistants | Total Hours | Total Time Costs |
|---------------------|------------|------------|----------------|------------|-------------|------------------|
| Investigations/CDDA | 0.0        | 1.1        | 12.2           | 0.0        | 13.3        | £2 089.50        |
| <b>Totals</b>       | <b>0.0</b> | <b>1.1</b> | <b>12.2</b>    | <b>0.0</b> | <b>13.3</b> | <b>£2,089.50</b> |

**Summary of Time Costs for "Realisation of Assets"**

| HOURS SPENT             | Partners   | Managers    | Administrators | Assistants | Total Hours  | Total Time Costs  |
|-------------------------|------------|-------------|----------------|------------|--------------|-------------------|
| Assets - general/other  | 0.0        | 0.0         | 36.6           | 0.0        | 36.6         | £5 135.00         |
| Chattels                | 2.6        | 26.6        | 1.2            | 0.0        | 30.4         | £8 732.50         |
| Debtors & sales finance | 0.2        | 4.1         | 30.5           | 0.0        | 34.8         | £5 589.50         |
| HP/Leasing creditors    | 0.1        | 1.6         | 7.4            | 0.0        | 9.1          | £1 522.50         |
| Land and Property       | 0.0        | 1.8         | 1.5            | 0.0        | 3.3          | £730.50           |
| Stock and WIP           | 0.0        | 1.5         | 0.0            | 0.0        | 1.5          | £427.50           |
| <b>Totals</b>           | <b>2.9</b> | <b>35.6</b> | <b>77.2</b>    | <b>0.0</b> | <b>115.7</b> | <b>£22,137.50</b> |

**Summary of Time Costs for "Creditors"**

| HOURS SPENT                                     | Partners   | Managers    | Administrators | Assistants | Total Hours  | Total Time Costs  |
|---|------------|-------------|----------------|------------|--------------|-------------------|
| 1st creditors/shareholders meetings and reports | 0.0        | 4.2         | 15.2           | 2.0        | 21.4         | £3 502.00         |
| Assets - general/other                          | 0.0        | 0.0         | 0.4            | 0.0        | 0.4          | £58.00            |
| Chattels  | 0.0        | 4.0         | 0.0            | 0.0        | 4.0          | £1 140.00         |
| Deferred/Postponed Creditors                    | 0.0        | 0.0         | 1.5            | 0.0        | 1.5          | £202.50           |
| Employees                                       | 0.0        | 0.1         | 34.9           | 0.0        | 35.0         | £6 131.50         |
| Other Creditor Meetings and Reports             | 0.8        | 0.0         | 0.3            | 0.4        | 1.5          | £389.00           |
| Secured Creditors                               | 3.8        | 20.9        | 16.6           | 0.0        | 41.3         | £9 757.00         |
| Unsecured Creditors                             | 0.4        | 2.2         | 9.1            | 3.0        | 14.7         | £2 197.00         |
| <b>Totals</b>                                   | <b>5.0</b> | <b>31.4</b> | <b>78.0</b>    | <b>5.4</b> | <b>119.8</b> | <b>£23,377.00</b> |

**APPENDIX H**

**ANALYSIS OF PRE-ADMINISTRATION COSTS**

| <b>Pre-Administration Costs Charged / Incurred</b>            |                           |                 |                  |
|---|---------------------------|-----------------|------------------|
| <b>Name</b>   | <b>£</b>                  |                 |                  |
|   | <b>Charged / Incurred</b> | <b>Unpaid</b>   | <b>Approved</b>  |
| <b>Pre Appointment Fees &amp; Disbursements</b>               |                           |                 |                  |
| Fees  | 10,645.50                 | 2,145 50        | 8,500 00         |
| Disbursements – travel costs                                  | 118 60                    |                 | 118 60           |
|   |                           |                 |                  |
|   |                           |                 |                  |
| <b>Pre Appointment Expenses</b>                               |                           |                 |                  |
|   |                           |                 |                  |
| Pinsent Masons  | 3,500 00                  |                 | 3,500 00         |
|   |                           |                 |                  |
|   |                           |                 |                  |
|   |                           |                 |                  |
| <b>Fees charged (by another Insolvency Practitioner)</b>      |                           |                 |                  |
|   |                           |                 |                  |
|   |                           |                 |                  |
|   |                           |                 |                  |
| <b>Expenses incurred (by another Insolvency Practitioner)</b> |                           |                 |                  |
|   |                           |                 |                  |
|   |                           |                 |                  |
|   |                           |                 |                  |
| <b>Total</b>  | <b>14,264.10</b>          | <b>2,145.50</b> | <b>12,118 60</b> |