

The Insolvency Act 1986

**Statement of administrators
proposals****2.17B**

Name of Company

Astbury Wren & Company Limited

Company Number

03486203

In the

High Court of Justice, Chancery Division,
Companies Court

[full name of court]

Court case number (For court use only)

01257 of 2012

(a) Insert full name(s) and
address(es) of
administrator(s)We^(a)Jim Stewart-Koster of PKF (UK) LLP, Farringdon Place, 20 Farringdon Road, London, EC1M 3AP
and Kerry Bailey of PKF (UK) LLP, 3 Hardman Street, Spinningfields, Manchester, M3 3HF

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to creditors on

(b) Insert date

(b) 16 April 2012

Signed

Joint Administrator

Dated

16.4.2012

Contact DetailsYou 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
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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





Accountants &
business advisers

**Astbury Wren & Company Ltd
(In Administration)**

**Joint Administrators' proposals
pursuant to Paragraph 49 of
Schedule B1 to The Insolvency
Act 1986**

April 2012

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1 Introduction

1 1 We, Jim Stewart-Koster and Kerry Bailey of PKF (UK) LLP ("PKF"), were appointed Joint Administrators of Astbury Wren & Company Limited ("the Company") by the directors of the Company on 20 February 2012. The appointment took place in The High Court of Justice, Chancery Division, Companies Court and was allocated Case Number 01257 of 2012.

1 2 These Proposals are prepared pursuant to Paragraph 49 of Schedule B1 ("the Schedule") to The Insolvency Act 1986 ("the Act") and Rule 2.33 of The Insolvency Rules 1986 ("the Rules").

1 3 Form 2.17B, Statement of Administrators' Proposals is attached at Appendix 7.

Business of the initial meeting of creditors to be conducted by correspondence

1 4 The Administrators do not propose to convene an initial meeting of the creditors of the Company to consider these proposals. It is the Administrators' intention to conduct the business of the meeting by correspondence, as permitted by Rule 2.48 of the Rules.

1 5 We have therefore enclosed Form 2.25B at Appendix 9, Notice of Conduct of Business by Correspondence, which details eight resolutions for your consideration.

1 6 The completed Form 2.25B should be returned, along with the completed Proof of Debt Form at Appendix 10, by 12.00pm on 24 April 2012 in order for your vote to be counted.

1 7 If creditors disagree with the Administrators' intention to conduct the business of the initial meeting of creditors by correspondence then creditors may request a meeting of the creditors of the Company.

1 8 Such a meeting must be requisitioned by a creditor whose debt amounts to at least 10% of the total debts of the Company or by a creditor who has provided written statements of concurrence from other creditors such that the sum of all concurring creditors' debts amount to at least 10% of the total debts of the Company. Form 2.21B, Creditor's request for a meeting, is enclosed at Appendix 8 for this purpose if any creditor so desires.

1 9 The request detailed on Form 2.21B must be returned to the Administrators within 5 business days of the date that these proposals are sent out and the Administrators must then convene the meeting within 28 days of receipt of the request.

- 1 10 The Administrators would require a sum to be deposited with them before convening such a meeting, as per Rule 2 37 of the Rules. The meeting may then vote that the expense of summoning and holding the meeting be an expense of the administration and to the extent that the sum deposited was not required for the payment of the expenses of summoning and holding of the meeting, it would be repaid to the person who paid it.

2 Background to the Administration

- 2 1 Astbury Wren & Co was established as a partnership by Mr David Wren and Mr John Astbury in 1989 and traded as an insurance broker until the business of the partnership was transferred into Astbury Wren & Company Limited (hereafter referred to as "Astbury Wren")
- 2 2 Astbury Wren was incorporated on 29 December 1997 as a Special Purpose Vehicle to acquire the business, assets and client book of Kidd Associates in 1998. The statutory information for Astbury Wren is at Appendix 1
- 2 3 Approximately 2 years later Astbury Wren acquired another business, that of Daulby Associates
- 2 4 Following the acquisitions of Kidd Associates and Daulby Associates, the business and assets of the original partnership, Astbury Wren & Co, was transferred into the Company
- 2 5 Unfortunately Mr Astbury passed away in 2001 and Mr Wren purchased the shares in the Company owned by Mr Astbury from his widow
- 2 6 In September 2007 Astbury Wren & Company (Holdings) Limited ("A&W Holdings") was formed to acquire the entire share capital of Astbury Wren, becoming its holding company. The shareholders of Astbury Wren became equivalent proportional shareholders in A&W Holdings. We are advised by Mr Wren that this transaction was undertaken following independent advice and as a result of Financial Service Authority ("FSA") regulations that were brought in around this time
- 2 7 Mr Philip Gee joined the business as a Director in 2007 and made a capital investment in order to acquire an approximate 20% shareholding
- 2 8 Astbury Wren's portfolio of business was predominantly commercial (approx 98%), with some connected retail policies being arranged
- 2 9 Prior to the introduction of the Administrators, the FSA had expressed concerns over Astbury Wren's compliance with Threshold Condition 4 (adequate resources) and its handling of client monies
- 2 10 This prompted Astbury Wren's directors to engage RWA Group Limited ("RWA"), a consultancy, to review the regulated business of Astbury Wren and prepare a report for submission to the FSA outlining Astbury Wren's current position, report on certain compliance issues and advise the FSA of Astbury Wren's intended strategy to resolve those issues. Following those discussions with RWA, Littlejohn LLP ("Littlejohn") were also engaged to assist in preparing the report

- 2 11 Following the review by RWA and Littlejohn it became apparent that there was a large deficit on Astbury Wren's two non statutory trust accounts ("the NST Accounts") which the Company was not in a position to remedy
- 2 12 Astbury Wren's main insurer was Aviva (constituting approximately 65% of the Astbury Wren's unsecured insurance creditor liabilities) Following separate discussions with RWA and Aviva the directors agreed to approach other insurance brokers in December 2011 regarding a possible acquisition of Astbury Wren RWA introduced an insurance broker who had undertaken such acquisitions in the past and was looking to expand into the Chester area Aviva introduced a local Chester broker who also placed business with Aviva
- 2 13 Both parties introduced were provided with basic financial information regarding Astbury Wren to allow them to assess their initial interest and both decided to progress further with their review of Astbury Wren's business
- 2 14 Astbury Wren's directors then consulted with the Company's lawyers, Hill Dickinson LLP, following which my firm, PKF, was engaged to advise on the options available
- 2 15 We carried out a review of the Company's financial position and, also, engaged with the Company's key stakeholders (including Aviva and National Westminster Bank plc) in light thereof It was immediately clear that the Company was insolvent and had minimal funds to meet ongoing trading costs However, by reference to the interest shown by the two potential interested parties referred to at paragraph 2 12 above and, taking advice from my firm, the Company's directors formed the view that continuing to trade the business for a short period to enable a potential sale to be explored would minimise the loss that would be suffered by creditors relative to immediately ceasing to trade in light of the Company's insolvency
- 2 16 As putative Administrators, we then engaged with the two potential interested parties already identified to seek to negotiate a sale of the Company's business and assets In view of the Company's financial position along with the fact that the interested parties in question had already commenced a review of the Company's business by way of due diligence process, it was concluded that there was no realistic prospect of introducing any other potential buyer(s) to the process
- 2 17 Accordingly, after a short period of continued trading (during which a sale of the Company's assets and business was negotiated) the directors filed a Notice of Intention to Appoint an Administrator at Court on 8 February 2011 This Notice was served on National Westminster Bank Plc ("Natwest"), as a Qualifying Floating Charge Holder, seeking their consent to the appointment of the Administrators
- 2 18 Natwest consented to the appointment of the directors' choice of Administrators

- 2 19 Following the conclusion of contractual negotiations between the putative Administrators and Risk Services (NW) Limited ("Risk Services") the Notice of Appointment was subsequently filed in the High Court of Justice. Jim Stewart-Koster and Kerry Bailey, both of PKF, were appointed as Administrators and the company's assets and business were immediately sold to Risk Services. The gross sale proceeds were £195,548.
- 2 20 The Administrators' strategy regarding the realisation of the Company's assets is detailed in Section 3 of these Proposals.
- 2 21 Pursuant to Paragraph 3(1) of the Schedule the Administrators are required to perform their functions with the objective of either
- (i) rescuing the Company as a going concern, or
 - (ii) achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration), or
 - (iii) realising property to make a distribution to one or more secured or preferential creditors.
- 2 22 After reviewing all available information, it became apparent that, due to the extent of the Company's liabilities, objective (i) could not be achieved.
- 2 23 The Administrators have worked towards achieving objective (ii), as set out in the strategy at Section 3.
- 2 24 For the purposes of paragraph 100 of the Schedule the Administrators confirm that any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators jointly or alone.

3 Administrators' strategy

- 3.1 As advised in the Administrators' initial correspondence to creditors of 23 February 2012, prior to appointment, the Administrators carefully considered the available options to maximise realisations for the benefit of creditors. On appointment, the Administrators' strategy was to complete a sale of the Company's business and assets to Risk Services.
- 3.2 This strategy minimised creditor claims by ensuring continuing employment for the majority of staff. The value of book debts has been maximised as the business is continuing under the control of Risk Services, thus enhancing the prospects of a return to the Company's creditors.
- 3.3 Moore Stephens LLP Corporate Finance ("Moore Stephens"), an independent accountancy firm, were engaged to provide a valuation of the Company's business and assets on a going concern basis. The value achieved in the sale to Risk Services was at the upper end of the valuation range in their report to the Administrators.
- 3.4 Following the realisation of the Company's business and assets, the Administrators continue to work to realise the available value in the Company's client debtor book, to maximise the funds available to creditors.

4 Financial position of the Company

Statement of Company's Affairs

- 4 1 David Wren and Philip Gee, who were both directors of Astbury Wren as at the date of the review by RWS and Littlejohn, and immediately prior to the appointment, were asked by the Administrators to provide a Statement of the Company's Affairs
- 4 2 Mr Gee's form was returned with narration advising that he holds no information in relation to the Company that would allow him to complete the Statement of Affairs
- 4 3 Mr Wren has not yet responded to the Administrators request to provide a statement of affairs
- 4 4 We have provided a list of the Company's creditors at Appendix 2 and details of the Company's financial position at the date of administration below. These were prepared from the Company records made available to the Administrators on appointment
- 4 5 Creditors should note that the listing of their claim in Appendix 2 in no way limits (or confirms) a creditor's claim to that amount. The amount has been extracted from the Company's books and records and serves only to provide an indication of the Company's recorded indebtedness at the date of insolvency. Creditor claims would be subject to formal examination upon a dividend becoming payable to that class of creditors

Assets

Book debts

- 4 6 The client aged debtor listing produced from the Company's records on 20 February 2012 showed outstanding balances due from clients of £152,877
- 4 7 However, there are factors that will effect the value that may prove to be realisable from these clients, as set out below
- 4 8 The monies due from clients are made up of the premium due to the respective insurers plus the Company's commission element
- 4 8 1 For those client debts where the policy had lapsed at the date of appointment the commission element is entirely due to the Company,
- 4 8 2 For those client debts where the policy period spans the appointment date, the commission element is to be split on a pro rata basis between the Company and Risk Services,
- 4 8 3 For those client debts whose policy period is wholly post 20 February 2012, Risk Services is entitled to the whole commission

4 9 The premium elements of the above debts are subject to the rules relating to Client Assets in the Financial Service Authority's Handbook ("the CASS Rules") The Administrators have taken legal advice and are reviewing all receipts from debtors in the light of the CASS Rules

4 10 The Administrators are currently assessing the extent to which debtors will be recoverable by the Company

Cash at bank

4 11 The Company operated several bank accounts - its Office and Broking accounts, where Company funds were held, a Statutory Trust account ("the ST Account") and two Non Statutory Trust accounts ("the NST Accounts"), one interest bearing, the other not

4 12 On appointment the Administrators, set up an ST Account and two NST Accounts and requested that the credit balances held be transferred to them The amounts received were £15,553, £184,826 and £30,499 respectively

4 13 The Office Natwest account was overdrawn by £59,728 at the date of appointment Natwest held fixed and floating charges over the Company's assets and the overdraft was therefore repaid in full immediately from the Risk Services business and assets sale proceeds There was a small historic credit balance of £847 on the Broking Account and this has been transferred to the Administrators' floating charge account

Computer equipment

4 14 The Company's draft unaudited financial statements for the 6 month period to October 2011 included computer equipment assets with a value of £11,738 This value was based on the cost value of the assets and the Company's 3 year depreciation policy for such assets

4 15 These were sold to Risk Services

Motor vehicles

4 16 The Company's draft unaudited financial statements for the 6 month period to October 2011 included motor vehicles with a value of £21,893, relating to four vehicles However, there were also liabilities under hire purchase contracts of £24,191 Three of the vehicles were under contract with Honda Finance with no equity available to the Administration

4 17 The fourth vehicle's hire purchase agreement had recently completed and that vehicle was included in the sale of the business and assets to Risk Services

Goodwill / insurance book

- 4 18 The Administrators instructed Moore Stephens to provide an independent valuation of the business and assets on a going concern basis. They provided a valuation between £nil and £293,121.

Creditors***Secured creditors***

- 4 19 The Company granted a debenture conferring fixed and floating charges over the Company's assets to Natwest on 3 February 2006.
- 4 20 As outlined at paragraph 4 13 of these Proposals, the Natwest Office account was overdrawn by £59,728 at appointment. They have been repaid in full from the Risk Services sale proceeds under the fixed charge.

Preferential creditors

- 4 21 No preferential claims are anticipated, as both David Wren and Philip Gee's employments were terminated prior to the administration under compromise agreements. The remaining employee contracts were transferred across to Risk Services.

Unsecured creditors

- 4 22 Based upon information provided by the Company, it is estimated that the Company's unsecured creditor liabilities total £1,477,589 as listed in Appendix 2.
- 4 23 The Administrators have been advised that the terms of business with the majority of the insurer creditors include risk transfer provisions. Accordingly we will be writing to all known insurer creditors under separate cover to establish their specific terms of business and how that may effect the funds from either
- The ST Account, and/or
 - The NST Accounts, and/or
 - Post Appointment Client Debtor Receipts
- 4 24 As set out in Section 2, the review by RWA and Littlejohn identified a substantial deficit in the two NST accounts which has since been initially estimated to total £1.3 million.
- 4 25 The client books provided by the Company at appointment included 87 clients with credit balances that total £56,227 which may be refundable to those clients. These claims will have to be made against the Company in administration.
- 4 26 The balance of the unsecured creditor claims of just over £100,000 are trade creditors.

- 4 27 No claim has yet been received from HM Revenue & Customs in respect of any PAYE/NIC arrears
- 4 28 With the exception of the two directors, all of the employees were transferred under TUPE as part of the sale of the business to Risk Services

Prescribed Part

- 4 29 Section 176A of the Act requires the Administrators to set aside a prescribed amount of the Company's "net property" towards the satisfaction of unsecured debts. Net property is the amount of property that would otherwise be available for satisfaction of holders of debentures secured by, or holders of, any floating charge created by the Company after 15 September 2003.
- 4 30 In this case, the Natwest debenture was created after 15 September 2003, however, there is to be no distribution to Natwest under their floating charge, as they were repaid in full under their fixed charge. Therefore the terms of the Prescribed Part do not apply.

Receipts and payments account

- 4 31 The Administrators' receipts and payments to date are detailed at Appendix 3.

Outcome for unsecured creditors

- 4 32 It is anticipated that any dividend will be minimal due to the level of costs accrued and the substantial deficit on the NST accounts.

The estimated outcome is summarised below

Assets and liabilities (prepared from Company records and realisations in the Administration)	Estimated to realise £'000s	Estimated outcome £'000s
Assets subject to fixed charges		
Gross sale proceeds – Astbury Wren assets and business (including motor vehicle and goodwill)	195.5	
Less		
CGT on sale of the Company	To be confirmed	
Debt due to Nat West	<u>(59.7)</u>	
Surplus		135.8
Assets subject to floating charges		
Cash at bank	231.7	
Trade debtors (as at 20 February = £152.9k)	Nil	
Third party monies held on suspense (£15.4k)	<u>Nil</u>	
		231.7
Costs of realisation		
Pre-appointment		
Legal fees	(27.0)	
Director compromise agreement	(3.3)	
Moore Stephens valuation	(9.0)	
Administrators' fees	<u>(23.5)</u>	
	(62.8)	
Post-appointment		
Legal fees	To be confirmed	
Administrators' fees		
Disbursements		
		<u>(62.8)</u>
Estimated outcome		
Surplus (subject to final adjustment for CGT, third party claims and post appointment costs))		304.7
Less		
Preferential creditors		Nil
Unsecured creditors		<u>(1,500.0)</u>
Estimated shortfall to unsecured creditors		<u>£(1,195.3)</u>

Note: VAT is not recoverable and has been treated as an expense of the Administration

- 4.33 There is a substantial shortfall to unsecured creditors arising from the level of claims due to the deficit on the NST accounts. The sale of the business has reduced the shortfall that would have resulted by preserving the value of goodwill and reducing the preferential claims to nil. Any improvement in the outcome is dependent on debtor realisations and any potential recoveries that may be made from the Administrators' proposed investigations into the operation of the NST accounts as set out at Section 8 below.

5 Pre-appointment costs

- 5 1 The payment of pre-administration costs as an expense of the Administration is subject to approval under Rule 2 67A of the Rules by resolution of the creditors' committee or if there is no committee, by resolution of the creditors generally

Pre-appointment time costs of Administrators

- 5 2 As outlined in Section 3 of these Proposals PKF provided advice to the Company and worked with our appointed solicitors, Pinsent Masons LLP ("Pinsent Masons"), to facilitate the sale of the business and assets of the Company to Risk Services immediately following the appointment of Jim Stewart-Koster and Kerry Bailey of PKF LLP as Administrators of the Company on 20 February 2012
- 5 3 The first meeting with the directors of the Company was at PKF's Manchester offices on 19 January 2012. Following this meeting the Company formally engaged PKF by virtue of an engagement letter dated 20 January 2012 to provide advice as regards the Company's financial position and the options available to it and, if appropriate, to assist the Company in working towards a sale of the Company or its business and assets
- 5 4 The work undertaken by PKF in accordance with the engagement letter and instructions from the Company's directors ensured that a better result would be obtained for creditors than if the Company was wound up without first being placed in administration, as it enabled the prompt sale of the business and assets to Risk Services, which ensured continuity of service to the Company's clients, thus preserving the Company's goodwill/customer relationships, debtors, and the minimisation of employee creditor claims
- 5 5 PKF's pre-appointment time costs total £58,937 00, which represents 159 75 hours at an average hourly charge out rate of £369. A breakdown of these costs by task and fee earner category is attached at Appendix 4
- 5 6 No payment has been made in respect of these pre-appointment time costs
- 5 7 In view of the relatively modest size of the deal in this case, the Administrators are seeking authority from creditors to recover £23,500 of these pre-appointment time costs
- 5 8 Creditor approval of the Administrators' pre-appointment time costs in the amount of £23,500 is requested by correspondence, and a resolution in this regard is included in Section 8 of these Proposals and on Form 2 25B where creditors can vote on the resolutions to be considered by correspondence

Pre-appointment time costs of Pinsent Masons LLP

- 5 9 Pinsent Masons Solicitors were instructed to prepare all appointment documentation in this matter, draft and finalise the directors' compromise agreements to terminate their employment prior to the appointment of the Administrators and to draft and complete the sale and purchase agreement between the Company and Risk Services in anticipation of completion of the sale shortly following the appointment of the Administrators
- 5 10 Pinsent Masons' pre-appointment time costs total £22,576 22 plus VAT at £4,515 24 (gross value £27,091 46), which represents 83 60 hours at an average hourly charge out rate of £270 A breakdown of these costs between appointment documentation, the compromise agreement, and the sale and purchase agreement work is attached at Appendix 5
- 5 11 Pinsent Masons' pre-appointment time costs were paid in full from sale proceeds
- 5 12 Retrospective approval of Pinsent Masons' pre-appointment time costs is now being requested, and a resolution in this regard is included in Section 8 of these Proposals and on Form 2 25B where creditors can vote on the resolutions to be considered by correspondence

Pre-appointment fees of Moore Stephens

- 5 13 Under an engagement letter dated 9 February 2012, Moore Stephens were instructed to provide a valuation of the Company's business and assets on a going concern basis Their agreed fee was £7,500 plus disbursements (£13) plus VAT These costs have been invoiced, but not yet paid
- 5 14 Creditors' approval of Moore Stephens pre-appointment fee is now being requested and a resolution in this regard is included in Section 8 of these Proposals and on Form 2 25B where creditors can vote on the resolutions to be considered by correspondence

Administrators' recourse if pre-appointment costs not approved by creditors' committee or creditors generally

- 5 15 If the creditors' committee or the creditors generally (where applicable) do not determine to approve the pre-appointment time costs of PKF and/or Pinsent Masons and Moore Stephens, the Administrators may make an application to Court pursuant to Rule 2 67A(5) for the Court to determine the extent to which the unpaid costs are approved for payment

- 5 16 An application to Court has associated costs and the Administrators would seek to obtain an order that any such costs would also be determined by the Court as an expense of the Administration in addition to the aforementioned pre-appointment costs of PKF and/or Pinsent Masons and Moore Stephens

6 Administrators' remuneration

- 6 1 It is proposed that the Administrators be remunerated for post appointment work on a time cost basis by reference to PKF's normal rates for the time spent by them and their staff in attending to matters arising in the Administration
- 6 2 The Administrators will therefore be seeking specific approval on the basis of their remuneration from a creditors committee, if appointed, failing which they shall seek approval at the Initial Meeting of Creditors, which is being conducted by correspondence
- 6 3 The Administrators' time costs to 13 April 2012 amount to £22,839 95, which represents 105 98 hours at an average hourly rate of £215 An analysis of these time costs is summarised at Appendix 6
- 6 4 These amounts are derived by reference to PKF's normal rates for time properly given by the Administrators and their staff in attending to matters arising in the insolvency
- 6 5 Where members of the Administrators' staff have been employed on this insolvency they have been so based on their experience and abilities in dealing with a case of this nature Where appropriate, certain staff have dealt with a specific area of the administration due to their specialist skills in that area
- 6 6 As the basis of the Administrators' remuneration has not yet been decided no fees have been drawn in respect of the work undertaken
- 6 7 All staff who have worked on this assignment, including cashiers and secretarial staff have charged time directly to the assignment and are included in the analysis of time spent
- 6 8 The cost of staff employed in central firm administrative functions is not charged directly to the assignment but is reflected in the general level of charge out rates
- 6 9 It should be noted that our scale rates may increase from time to time over the period of the administration of each insolvency
- 6 10 The current hourly charge out rates for PKF staff utilised on this assignment are detailed below

Time Costs	£
Partner / Director	307 - 508
Manager	198 - 356
Supervisor / Senior Administrator	160 - 215
Administrator / Support	82 - 180

6 11 A creditors' guide to fees, which provides information regarding creditors' rights in relation to insolvency practitioners' fees, can be obtained by visiting our website at www.pkf.co.uk/cgff

6 12 The Joint Administrators' disbursements to date total £976 60 and comprise,

Disbursement	Category 1 £	Category 2 £
Office Holders' Bond	420 00	
Travel Expenses	353 93	
Mileage		189 67
Land Registry search fees	12 00	
Companies House search fees	1 00	
	<u>786 93</u>	<u>189 67</u>

6 13 Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, advertising, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

6 14 All Category 1 disbursements are charged at the actual cost incurred.

6 15 Category 2 disbursements will comprise cost allocations which may arise on some of the Category 1 expense where supplied internally. Typically, items such as room hire and document storage. Also typically included will be routine or more specialist copying and printing, and allocated communication costs.

6 16 Resolutions regarding the approval of the Administrators' remuneration and disbursements are set out in Section 8 of these Proposals and on the Proxy Form for the Initial Meeting of Creditors.

7 Proposed exit route

7.1 The Administrators propose the four following exit routes from Administration be considered

- (i) In the event that there are insufficient funds available to enable a return to the unsecured creditors of the Company, once all matters have been concluded, the Administrators will then file the necessary documents with the Court and with the Registrar of Companies to dissolve the Company pursuant to Paragraph 84 of Schedule B1 of the Insolvency Act 1986, or,
- (ii) In the event that there are sufficient funds available to enable a return to the unsecured creditors of the Company, the Administrators may either
 - make an application to Court for authority to distribute to the unsecured creditors. If such an order is granted and all funds held by the Administrators are distributed to the unsecured creditors, the Administrators will then file the necessary documents with the Court and with the Registrar of Companies to dissolve the Company pursuant to Paragraph 84 of Schedule B1 of the Insolvency Act 1986, or,
 - place the Company into creditors' voluntary liquidation, seeking their own appointment as Liquidators of the Company. In accordance with paragraph 83(7) of Schedule B1 to the Insolvency Act 1986 and Rule 2.117A(2) of the Insolvency Rules 1986, creditors may nominate different persons as the proposed Joint Liquidators. All valid nominations must be made before the proposals are approved, with or without modifications. In this event and under rule 4.127(5A) the basis of remuneration fixed in the Administration will apply in the subsequent liquidation.
- (iii) If the Administrators consider that none of the above exit routes are appropriate and subject to the provisions of Paragraph 79 of Schedule B1 of the Insolvency Act 1986, the Administrators may make an application to Court to end the Administration and for the Company to be compulsorily wound-up. The Administrators may, if they so desire, request that they be appointed Liquidators. In this event and under rule 4.127(5A) the basis of remuneration fixed in the Administration will apply in the subsequent liquidation.

Administrators' discharge

7.2 It is standard practice for Administrators to seek a discharge from liability for any action taken by them during the course of an Administration, following the termination of the administration.

- 7 3 Granting the Administrators their discharge does not prevent any creditor of the Company from applying to Court (under Paragraph 75 of the Schedule B1 to the Insolvency Act 1986) for permission to bring proceedings against us if any such party believes that our conduct as Administrators has breached our duties in relation to the Company or has otherwise made us guilty of misfeasance
- 7 4 The Administrators are not currently aware of any issue that may result in such an application to Court
- 7 5 For the avoidance of doubt, granting us our discharge prior to the termination of the Administration does not discharge our liability, until the termination is effective
- 7 6 A resolution seeking our discharge forms part of the Administrators' Proposals, discussed in more detail in Section 8

8 Administrators' proposals

8 1 In accordance with Paragraph 49 of Schedule B1 of The Insolvency Act 1986, Jim Stewart-Koster and Kerry Bailey, the Joint Administrators of the Company, make the following Proposals to the creditors for achieving the purpose of the administration

8 2 The Administrators propose

- (i) That the Administrators do all such things and generally exercise all of the powers as Administrators contained in Schedule 1 of The Insolvency Act 1986, as they at their discretion consider desirable or expedient in order to achieve the purpose of the Administration, to protect and preserve the assets of the Company or maximise the realisation of those assets or for any purpose incidental to these Proposals,
- (ii) That the Administrators, at their sole discretion and at a time they see fit, are empowered to either
 - File the necessary notices at Court and with the Registrar of Companies to place the Company into Creditors' Voluntary Liquidation pursuant to Paragraph 83 of Schedule B1 of The Insolvency Act 1986 and that Jim Stewart-Koster and Kerry Bailey be appointed Liquidators, or any other person(s) be appointed Liquidator(s) of the Company in accordance with Paragraph 83(7) Schedule B1 of The Insolvency Act 1986 and Rule 2.117A(2)(b) of The Insolvency Rules 1986, or
 - File the necessary notices at Court and with the Registrar of Companies to dissolve the Company pursuant to Paragraph 84 of Schedule B1 of The Insolvency Act 1986, or
 - Make an application to Court pursuant to Paragraph 79 of Schedule B1 of The Insolvency Act 1986 to end the Administration and that the Company be compulsorily wound-up. If they so desire, Kerry Bailey and Jim Stewart-Koster may also seek their appointment as Liquidators

Investigations

8 3 As set out at Section 2 above, the failure of the Company and substantial deficit to unsecured creditors is at least in part due to a large deficit on the NST accounts which was identified following the review by RWA and Littlejohn. The Administrators understand that this is as a result of funds being drawn from the NST accounts to support on-going trading

8 4 We propose to perform a review of the movements of monies through the NST accounts for the two year period ended on the date of the review by RWA and Littlejohn. This will include the following steps

- Review of the bank statements for the NST accounts,
- Investigation of payments to parties that are not insurers trading with the Company, and
- Vouching of selected payments to the company records

8 5 The findings from the above investigation will be discussed with the directors and senior management of the Company to establish the purpose of the payments to third parties. This will enable the Administrators to consider whether there are any potential claims arising from the use of monies that should have been held on trust by the Company

8 6 The Administrators will report their findings to the creditors in due course and seek agreement before taking further steps

Remuneration and other resolutions

8 7 The Administrators further propose the following resolutions

- (i) That, if thought appropriate, the Administrators take the necessary steps to form a creditors' committee

8 8 If no creditors' committee is formed the creditors will be required to vote on the following resolutions

- (ii) That the Administrators' pre-appointment time costs of £58,937 00 plus VAT are noted, but only £23,500 plus VAT of those time costs be approved pursuant to Rule 2 67A of The Insolvency Rules 1986,
- (iii) That Pinsent Masons pre-appointment time costs of £22,576 22 plus VAT be approved pursuant to Rule 2 67A of The Insolvency Rules 1986,
- (iv) That Moore Stephens pre-appointment fees and disbursements of £7,513 05 plus VAT be approved pursuant to Rule 2 67A of The Insolvency Rules 1986
- (v) That the Administrators' remuneration for post appointment work be fixed on time cost basis by reference to PKF's normal rates and such remuneration may be drawn from time to time from the Administration funds. In the event of a subsequent Liquidation and in accordance with Rule 4 127(5A) of The Insolvency Rules 1986 the basis of remuneration fixed in the Administration will apply in the Liquidation if the Administrators are the appointed Liquidators

- (vi) That the Administrators be authorised to draw the Category 2 disbursements detailed in Section 6 of these Proposals from the Administration funds
- (vii) That the Administrators be discharged from liability in accordance with Paragraph 98 of Schedule B1 of The Insolvency Act 1986, 28 days after they cease to be Administrators of the Company

9 EC Regulations

- 9.1 The EC Regulation on Insolvency Proceedings 2000 ("the Regulation") will apply to these proceedings as the registered office of the Company at the date of Administration was situated within the United Kingdom. The proceedings are main proceedings as defined in Article 3 of the Regulation.

10 Conclusion

- 10 1 The Administrators have conducted their activities in order 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)
- 10 2 The current position is that
- the secured creditor, Natwest, has been paid in full,
 - no preferential claims are anticipated, and
 - that there may be a minimal distribution to the Company's unsecured creditors
- 10 3 The Administrators are seeking approval of a proportion of their pre-appointment costs (40% of the actual level of their costs incurred) that relate to the sale to Risk Services (NW) Limited which has achieved a better result for the Company's creditors as whole than would have been expected if the Company were wound up (without first being in administration)
- 10 4 The Administrators propose that the Administrators' remuneration be fixed on a time cost basis by reference to PKF's normal rates and such remuneration may be drawn from time to time from the Administration funds
- 10 5 The Administrators have convened a meeting of creditors that is being conducted by correspondence to give creditors the opportunity to consider the Proposals and resolutions
- 10 6 Please note the deadline for returning completed Form 2 25B's advising of creditor's votes in respect of the relevant resolutions and Proof of Debt Forms is 12 00pm on 24 April 2012
- 10 7 Creditors should forward any comments they may have in writing and we request that any matters that creditors consider require further investigation are brought to the Administrators attention
- 10 3 Should any creditor require any additional information or have any queries, creditors should contact Baqer Raza or Mike Roberts on +44 (0)161 832 5481



Jim Stewart-Koster Joint Administrator

Appendix 1 - Statutory information

Company Name Astbury Wren & Company Limited

Registration number 03486203

Current Registered Office address c/o PKF (UK) LLP, 3 Hardman Street, Spinningfields, Manchester, M3 3HF

Former Registered Office and trading address Poplar House, Park West, Sealand Road, Chester, CH1 4RN

Court details High Court of Justice, Chancery Division, Companies Court No 01257 of 2012

Administrator(s) details Jim Stewart-Koster
PKF (UK) LLP
20 Farringdon Road, London, Greater London, EC1M 3AP
Appointed 20/02/2012

Kerry Bailey
PKF (UK) LLP
3 Hardman Street, Manchester, M3 3HF
Appointed 20/02/2012

Paragraph 100(2) Statement Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators jointly or alone

Appointor The Directors of the company

Company secretary None

Company directors Mr David Wren
Mr Philip Gee (resigned 17 February 2012)

Share capital and shareholdings The company had 71,593 Ordinary Class 'A' shares and 28,407 Ordinary Class 'B' shares in issue. Each share in either class has a nominal value of 1 pence

The entire share capital of the company is owned by Astbury Wren & Company (Holdings) Limited ("A&W Holdings")

A&W Holdings has 66,951 Ordinary shares in issue. Each share has a nominal value of 1 pence

The split of the A&W Holdings shareholdings between the directors of the company is as follows

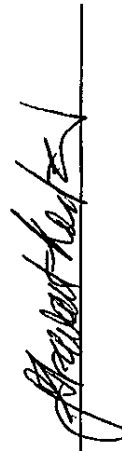
Director	No. of shares in A&W Holdings
Mr David Wren	52,341
Mr Philip Gee	14,610

Appendix 2 - List of company creditors

PKF (UK) LLP
Astbury Wren & Company Limited
B - Company Creditors

Key	Name	Address	£
CA00	Acturus Limited	Courtyard Suite, 100 Hatton Garden, London, EC1N 8NX	0 00
CA01	Allianz Engineering	57 Ladymead, Guildford, Surrey, GU1 1DB	4,461 19
CA02	Accident & Health Underwriting	7-8 Ducketts Wharf, South Street, Bishops Stortford, Herts, CM23 3AR	6,541 17
CA03	Ansvar Insurance	Ansvar House, St Leonards Road, Eastbourne, East Sussex, BN21 3UR	0 00
CA04	Arthur J Gallagher (UK) Ltd	9 Alie Street, London, E1 9DE	625 00
CA05	Aviva Healthcare	Chilworth House, Hampshire Corporate Park, Eastleigh, Hampshire, SO53 3RY	0 00
CA06	ACE European Group Ltd.	200 Broomfield, Glasgow, G1 4RU	627 61
CA07	Allianz Insurance plc	1 Wellington Place, Tower Square, Wellington Street, Leeds, LS1 4AJ	20,623.08
CA08	AXA PPP Healthcare	Phillips House, Crescent Road, Tunbridge Wells, Kent, TN1 2PL	0.00
CA09	Aviva Insurance Limited	Central Collections OUK, PO Box 3143, Norwich, NR1 3WT	953,961 98
CA0A	AXA Insurance UK plc	Head of Financial Operations, Ballam Road, Lytham St Annes, FY8 4SZ	51,554 31
CB00	British Gas Business	Insolvency Department, British Gas Business, Spinneyside, Penman Way, Grove Park, Leicester, LE19 1SZ	0 00
CB02	Brights Cleaning XXXXGONE AWAYXXX	19 Broadhurst Rd, Thornton-Cleveleys, Lancashire, FY5 3HR	0 00
CB03	BNP Paribas	10 Harewood Avenue, London, NW1 6AA	0 00
CB04	BUPA	Anchorage Way, Anchorage Quay, Salford Quays, Salford, M50 3XL	17,885 79
CB05	Bureau Veritas UK Limited	825A Wilmslow Road, Didsbury, Manchester, M20 2RE	804 42
CC00	Computershare Voucher Services Limited	Kuhlmann House, Lancaster Way, Fradley Park, Lichfield, Staffordshire, WS13 8SX	0 00
CC01	Copyrite	Copyrite House, 15 Riverside Park, Wimborne, Dorset, BH21 1QU	0 00
CC02	Carroll and Partners Ltd	Barnett House, Viking Street, Bolton, BL3 2RR	5,911 09
CC03	Chartis Europe Limited (UK)	2-8 Altyre Road, Croydon, CR9 2LG	25,348 63
CC04	Camberford Law Plc	Lygon House, 50 London Road, Bromley, BR1 3RA	1,638 26
CC05	Chubb Insurance Company of Europe SE	Cottons Centre, Hays Lane, London, SE1 2QP	25,880 59
CC06	CNA Insurance Company (Europe) Ltd	4th Floor, Cavell House, Stannard Place, St Crispins, Norwich, NR3 1YE	17,176 85
CC07	Catalin Insurance Company (UK) Ltd	12 Musuem Street, Ipswich, IP1 1HT	825 00
CC08	Charter Design	3 Bridgewater Street, Lymm, Cheshire, WA13 0AB	870 00
CD00	Dixon Webb	35 Whitefriars, Chester, CH1 1QF	0 00
CD01	DAS Legal Expenses Insurance Company Ltd	DAS House, Quay Side, Temple Back, Bristol, BS1 6NH	2,021 49
CE00	Ecclesiastical Insurance PLC.	Beaufort House, Brunswick Road, Gloucester, GL1 1JZ	15,700 99
CF00	The Financial Services Authority	1st Floor, Quayside House, 127 Fountainbridge, Edinburgh, EH3 9QG	0.00

Signature



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PKF (UK) LLP
Astbury Wren & Company Limited
B - Company Creditors

Key	Name	Address	£
CF01	Fleet (UK) Ltd	Zurch Commercial, PO Box547, 3000B Parkway, Fareham, PO14 9DU	0.00
CF02	Fusion Insurance Services	Westone, Wellington Street, Leeds, LS1 1BA	17,188.87
CG00	Groupama Insurance Company Ltd	60 Spring Gardens, Manchester, M60 1HU	854.04
CH00	HM Revenue & Customs (PAYE / NIC)	ICHU, Benton Park View, Longbenton, Newcastle Upon Tyne, NE98 1ZZ	0.00
CH01	HM Revenue & Customs (VAT)	Insolvency Operations, Queens Dock, Liverpool, L74 4AF	0.00
CH02	HM Revenue & Customs (Enforcement)	Durrington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4SE	0.00
CH03	Hill Dickinson LLP	34 Cuppin Street, Chester, CH1 2BN	0.00
CH04	Honda Finance	470 London Road, Slough, Berkshire, SL3 8QY	0.00
CH05	Haven Knox-Johnston	11 Tower View, Kings Hill, West Malling, ME19 4UY	1.42
CH06	Hiscox Insurance Company Ltd	25 London Road, Sittingbourne, Kent, ME10 1PE	1,159.73
CH07	HSB Engineering Insurance Limited	Cairo House, Greenacres Road, Waterhead, Oldham, OL4 3JA	4,263.32
CJ00	Jackson Lee Underwriting Ltd	The Estate Office, Shadrack, Berry Pomeroy, Devon, TQ9 6LR	121.52
CK00	Kbis Limited	Cullimore House, Peasemore, Newbury, Berkshire, RG20 7JN	4,761.29
CL00	Lutine Assurance Services Limited	3rd Floor, 154 Great Charles Street, Birmingham, B3 3HN	0.00
CL01	Lorega Ltd Claims and Underwriting Services	36 Leadenhall Street, London, EC3A 1AT	5,239.98
CL02	LLUC (J R Clare)	Suite 7 & 8, Constable Court, Barn Street, Lavenham, CO10 9RB	1,313.84
CL03	Legal & General Insurance Ltd	2 Friars Bridge Road, Ipswich, IP1 1QA	0.00
CL04	Liberty International U/W Services Ltd	15th Floor Lowry House, 17 Marble Street, Manchester, M2 3AW	1,327.50
CM00	Miles Smith	Birchin Court, 20 Birchin Lane, London, EC3V 9DU	2,479.66
CM01	Markel (UK) Ltd	8th Floor, Riverside West, Whitehall Road, Leeds, LS1 4AW	17,500.76
CN00	Newline Underwriting Ltd	Suite 5/4, The London Underwriting Centre, 3 Minster Court, Mincing Lane, London, EC3R 7DD	4,240.00
CN01	NIG	Crown House, 145 City Road, London, EC1V 1LP	194.86
CO00	Obelisk Underwriting Ltd	QDOS Court, Rossendale Road, Earl Shilton, Leicestershire, LE9 7LY	33,791.03
CP00	Proofsafe Limited	Sealand Farm, Sealand Road, Chester, Cheshire, CH1 6BS	0.00
CP01	Pursglove & Brown	Military House, 24 Castle Street, Chester, CH1 2DS	0.00
CP02	Pitney Bowes Limited	The Pinnacles, Harlow, Essex, CM19 5BD	0.00
CP03	Premium Credit Limited	Premium Credit House, 60 East Street, Epsom, Surrey, KT17 1HB	0.00
CP04	PHS Datasheed	2 Scholar Green Road, Stretford, Manchester, M32 0TR	0.00
CP05	PCG Scheme (Royal and Sun Alliance Insurance Group)	29,272.63 EC3R 7DD	29,272.63

Signature 

PKF (UK) LLP
Asbury Wren & Company Limited
B - Company Creditors

Key	Name	Address	£
CP06	Playsure - Aviva Insurance Limited	Aviva PLC, St Helens, 1 Undershaft, London, EC3P 3DQ	29,793 13
CP07	P J Hayman & Company Ltd	Stansted House, Stansted Park, Rowlands Castle, PO9 6DX	84 00
CQ00	QBE Insurance Ltd	1 Coval Wells, Chelmsford, Essex, CM1 1WZ	73 06
CR00	Royal & Sun Alliance Insurance Plc	Credit Control 3rd Floor, Bowling Mill, Halifax, HX3 5WA	17,911 90
CS00	Savills Chester	22 Lower Bridge Street, Chester, Cheshire, CH1 1RS	0 00
CS01	Siemens Financial Services	Collections Department, Sefton Park, Bells Hill, Stoke Poges, Buckinghamshire, SL2 4JS	0 00
CS02	Sterling Insurance Co Ltd	50 Kinks Hill Ave, Kings Hill West Malling, Kent, ME19 4JX	5,192 64
CT00	Towergate Underwriting Cherished Cars	1st Floor, Sandersley House, Upton Road, Poole, BH17 7AG	206 40
CT01	Travelers Insurance Company Ltd	Travelers Insurance Company Limited, 61-63 London Road, Redhill, Surrey, RH1 1NA	120,227 55
CU00	Unicom Training	Wamford Court, 29 Throgmorton Street, London, EC2N 2AT	0 00
CZ00	Zurich Insurance plc	PO BOX 458, Cardiff, CF10 5WY	27,932 86
69 Entries Totalling			1,477,589.44

Signature

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Appendix 3 - Administrators' receipts and payments account

Astbury Wren & Company Limited
(In Administration)

Summary of Receipts & Payments

RECEIPTS	Statement of Affairs (£) (Not Provided)	Total (£)
Cash at Bank	-	231,695 27
Sundry Refund	-	43 72
Bank Interest Net of Tax	-	0 03
Sales Proceed (Unapportioned)	-	195,548 12
Commission from Insurers	-	5 65
Suspense Account	-	5,007 16
	-	<u>432,299 95</u>
PAYMENTS		
Natwest Bank Plc	-	59,728 17
Pre Appointment Legal Fees	-	27,091 46
Legal Fees	-	2,908 54
Legal Expenses	-	42 96
Statutory Advertising	-	69 75
Other Property Expenses	-	24
Bank Charges	-	0 37
Director Compromise Agreement	-	3,320 25
	-	<u>93,185 50</u>
Net Receipts/(Payments)	-	<u><u>339,114 45</u></u>
MADE UP AS FOLLOWS		
VAT Receivable	-	13 95
Bank 2 - Statutory Trust	-	15,522 87
Bank 2 - Non-Statutory Trust IB	-	184,826 43
Bank 2 - Non-Statutory Trust NIB	-	30,498 82
Bank 1 - Floating	-	108,252 38
	-	<u><u>339,114 45</u></u>

Appendix 4 - PKF (UK) LLP's pre-appointment time costs

Breakdown of PKF (UK) LLP Pre-Appointment Costs
Client: Astbury Wren & Company Limited (Now in Administration)

Grade	Partner / Director	Manager	Supervisor / Senior Administrator	Administrator / Assistant	Total
Average Cost per hour	£508 00	£258 00	£215 00		£389 00
Tasks	Amount (£)	Hours	Amount (£)	Hours	Amount (£)
Strategy meetings, emails, discussions, site attendance	17,526 00	34 50	5,830 20	23 70	-
Employee matters (including director compromise agreements)	2,921 00	5 75	1,599 00	6 50	1 00
Liaising with secured creditor	4,724 40	9 30	455 10	1 85	-
Sale of business, contract negotiation, interested parties	10,896 60	21 45	4,563 30	18 55	-
Obtaining and reviewing financial and other information	-	-	2,952 00	12 00	-
Preparation of Information/Sales Memorandum	-	-	6,036 70	20 20	-
Statutory work preparation	-	-	1,217 70	4 95	-
	36,068 00	71 00	22,654 00	87 75	1 00
					58,937 00
					159 75

Appendix 5 - Pinsent Masons LLP's pre-appointment time costs

Breakdown of Pinsent Mason LLP's Pre-Appointment Costs

Client: Astbury Wren Limited (In Administration)

Grade:

Tasks

Preparation of and filing of all relevant appointment documents

Drafting and finalising directors' compromise agreements

Drafting, negotiation and completion of sale and purchase agreement

Amount (£)	Hours
7,392 41	30 40
4073 15	15 2
11,110 66	38 00
22,576.22	83.60

Appendix 6 - Administrators' time costs

SIP9 Analysis of OfficeHolders Timecosts as at 13 April 2012

Client: Astbury Wren & Company Ltd (In Administration)

Grade	Partner / Director	Manager	Supervisor / Senior Administrator	Administrator / Assistant	Total
	Amount (£)	Hours	Amount (£)	Hours	Amount (£)
Average Cost per hour	£489 00		£215.00	£95 00	£215 00
Tasks	Amount (£)	Hours	Amount (£)	Hours	Amount (£)
Partner/Senior Manager Review	-	4 50	-	-	1,602 00
Planning & Monitoring	-	1 80	-	-	442.80
Time Summaries & Billing	-	-	-	1 15	59 80
Cashiering Function Generally	50 80	0 10	167 70	5 90	1,407.25
Company Director Disqualification Act 1986 Work	-	1 30	-	-	147 60
Secured Creditors (reporting/accounting for funds, etc)	-	0 60	-	-	147 60
Partly Secured Creditors (including of lease and HP)	-	3 40	-	-	1,056 40
Non Preferential Creditors	-	7 05	-	-	1,770 90
Employee Claims	-	2 75	225 75	1 05	698 50
Book Debt Realisations	1,524 00	3 00	-	-	3,044 10
Other Asset Realisations	-	1 75	-	-	430 50
Insurance & Bonding	-	0 80	-	-	166 80
Legal Correspondence/Litigation	1,016 00	2 00	-	-	221 40
General Administration	-	1 00	32 25	0 15	246 00
Statutory Compliance	-	12 25	-	-	3,673 50
Investigations	393 00	1 00	-	-	1,057 80
Liasing with Agents/Solicitors/Other Professionals	-	1 60	-	0 20	393 60
	2,983.80	6 10	425 70	1 98	15,528 60
		55 90		41 00	22,839 95
					105 98

Appendix 7 - Form 2.17B (Statement of Administrators' Proposals)