

The Insolvency Act 1986

Administrator's progress report

Name of Company The Pride Foundation Limited	Company number 03962378
In the High Court of Justice, Companies Court, Chancery Division (full name of court)	Court case number 3774 of 2013

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

I/We (a)
Simon Thomas
Moorfields Corporate Recovery Limited
88 Wood Street
London
EC2V 7QF

Nicholas O'Reilly
Moorfields Corporate Recovery Limited
88 Wood Street
London
EC2V 7QF

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

(b) Insert date

From (b) 23 November 2013	To (b) 1 May 2014
----------------------------------	--------------------------

Signed


 Joint / Administrator(s)

Dated

21/05/14

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

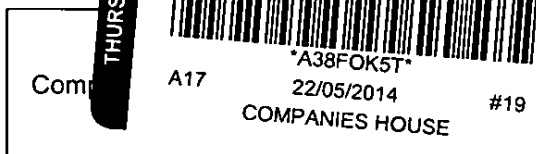
The company will be published

Simon Thomas
Moorfields Corporate Recovery Limited
88 Wood Street
London
EC2V 7QF

Number

0207 186 1144
DX Exchange

When you have completed and signed this form, please send it to the registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff



The Pride Foundation (In Administration)

Joint Administrators' Extension Progress Report

in accordance with

Rule 2.47 of the Insolvency Rules 1986 (as amended)

1 May 2014

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Disclaimer

This report has been prepared for the sole purpose of updating creditors for information purposes. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.

The Pride Foundation Limited – In Administration (“The Company”)

1. Background and Statutory Information

This is the Joint Administrators’ (“the Administrators”) second progress report on the conduct of the administration from 23 November 2013 to 1 May 2014 in accordance with the requirements of Rule 2.47 of the Insolvency Rules 1986 (as amended)

This report should be read in conjunction with the Administrators’ previous report dated 16 December 2013. There has been no major deviation from the strategy as proposed.

The Company entered administration on 23 May 2013 and Simon Thomas and Shelley Bullman, both licensed insolvency practitioners of Moorfields Corporate Recovery LLP, 88 Wood Street, London EC2V 7QF were appointed Administrators.

Nicholas O’Reilly replaced Shelley Bullman as Joint Administrator following an Order of the Court dated 20 November 2013.

To date no fees have been drawn in respect of the Administration. Further information regarding fees is given in section 5.

Based on current information, there will be no distribution to the unsecured creditors.

On the basis that there remains an unrealised asset of a 3.67 acre site known as Newton Industrial Estate, Caxton Road, it is the Administrators’ intention to apply for an extension of time for the Administration. Details of the application are given at section 10.

Statutory information relating to the Company and the Administrators’ appointment is attached at Appendix I.

2 Progress of the Administration

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

The Administrators’ receipts and payments account for the period 23 November 2013 to 1 May 2014 is attached at Appendix II together with a cumulative Receipts and Payments Account for the period from 23 May 2013 to 1 May 2014.

Despite requests, no statement of affairs has been received.

I would comment specifically as follows:

2.1 Assets still to be realised

The Company’s principal asset is a 3.67 acre site known as Newton Industrial Estate, Caxton Road, Carlisle (“the Site”).

2.2 Newton Industrial Estate ("the Property")

The Property broadly comprises five plots with a range of historical uses. The Property has been vacant since mid-2011 and is not in a good enough state of repair for an occupier to immediately move in.

Planning

As previously advised, Nathaniel Litchfield & Partners LLP ("NLP"), were engaged to undertake a high level feasibility study regarding the potential uses of the site and the likelihood of obtaining planning permission.

Although it has been concluded that an immediate sale was the correct strategy to pursue, NLP have continued to liaise with the council to discuss the planning issues and scope to remove various restrictions. Although NLP are not exploring any new lines of enquiry they have successfully managed to ensure that the Site certificate is free of operational restrictions (for example in relation to hours of operation, noise etc) which has opened up the market.

Sale and marketing of the Property

It was agreed that the Site would benefit from a joint national and local marketing campaign, which was undertaken by Jones Lang LaSalle ("JLL") and Carigiet Cowen ("CC").

Given the actual condition of the Site, agents recommended quoting a price of £750,000 for the freehold interest. However, they further advised that interested parties would deduct the cost of the demolition and removal of any hazardous materials/abnormal (asbestos) that may exist. Given comparable sales in the area and the general tone for land values in Carlisle at £100,000 - £150,000 per acre the Site may end up achieving a price in the region of £200,000 to £400,000 after purchasers have made an allowance for demolition/abnormal costs.

The marketing campaign has generated significant interest but the offers received have been disappointing. 5 offers have been received ranging from £75,000 to £400,000. The offer of £400,000 was conditional on residential planning permission being granted and as the planning issue is so uncertain, this offer cannot be considered. The next highest offer not subject to planning permission was £250,000. This offer is unconditional and funding is in place. For this reason, our agents have recommended this offer.

Due to the level of offers received, we have also considered the possibility of using an online sales portal as an alternative sales channel, which would enable an immediate purchase and exchange. However, after reviewing the associated costs of doing this, we have decided it would not be commercial in this instance.

We hope to be in a position to accept an offer shortly.

2.3 Joint Administrators' Expenses

The expenses paid by the Administrators in the period of this report are reflected in the receipts and payments account at Appendix II. The following expenses have been incurred by the Joint Administrators' in the period but not paid

Expenses	Accrued as at 28/04/2014
Bond	30 00
Sundry expenses	17 00
Land Registry	25 00
Telephone call	19 04
Statutory Advertising	84 60
IP Transfer Fee	39 41
Travel	15 00
Courier Fee	9 95
NLP -- planning fees	2,568 75
Total	2,808 75

The statement excludes any potential tax liabilities that may be payable as an expense of the administration in due course because amounts due will depend upon the position at the end of the tax accounting period

2.4 Professional Advisers

The Administrators have used the professional advisers listed below

Name of Adviser	Brief description of services provided	Basis of fee arrangement	Costs incurred to date	Costs paid to date	Amount unpaid £
JLL & Cargient Cowen	Marketing of the company premises	Joint Fixed fee of 2.5%	0 00	0 00	tbc
Nathaniel Litchfield & Partners LLP	Certificate of Lawful Use application Planning report and planning consultancy	Time costs	5,968 81	5,968 81	Nil
Lawrence Graham	Dealing with property related matters	Time costs	3039 59		tbc
SitexOrbis Limited	Security	Invoice	£4,569 98	£4,569 98	Nil

The Administrators' choice was based upon their perception of the advisers' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them. The Administrators have reviewed the fees charged and are satisfied that they are reasonable in the circumstances of the case.

3 Pre-administration Costs

- 3.1 The Administrators do not intend to seek approval for the pre-administration costs incurred

4 Joint Administrators' Remuneration

- 4.1 The statutory provisions relating to remuneration are set out in Rule 2.106 of the Insolvency Rules 1986. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Insolvency Practitioners Association at www.insolvency-practitioners.org.uk (follow 'Regulation and Guidance' then 'Creditors' Guides to Fees'), or is available in hard copy upon written request to the Joint Administrators' offices.

- 4.2 The Administrators have written to the secured creditor, DZ Bank to consider resolutions in respect of the following:

- Approving the basis of the Joint Administrators' Remuneration
- Approval to draw expenses and necessary disbursements
- Once the Administration is complete, and the final report issued, that the Administrators be discharged from liability

- 4.3 Attached at Appendix III is a SIP 9 time and cost analysis which provides details of the activity costs incurred by staff grade by reference to time properly spent by the Administrators in managing the Administration during this period. Time costs for the period from 23 November 2013 to the date of this report are £11,491.00. This represents 44.65 hours at an average hourly rate of £257.36 per hour.

I also attach as Appendix III a cumulative time analysis for the period from 23 May 2013 to 1 May 2014. Time costs for this period are £36,172.20. This represents 139.17 hours at an average hourly rate of £259.91 per hour.

It is the Administrators' policy to delegate the routine administration tasks to less senior staff in order to maximise the cost effectiveness of the work performed. These staff are supervised by senior staff and the Administrators. Any matter of complexity or significance is dealt with by the senior staff on team and the Administrators.

The following activities have been undertaken

Administration & Planning,

- Statutory duties associated with the appointment including the filing of relevant notices,
- Notification of the appointment to members and creditors and other relevant parties,
- Setting up and maintaining administration case files,
- Reviewing available information to determine the administration strategy,
- Setting up and maintaining administration bank accounts,
- Implementing strategy for administration, and
- 6 month case review

Asset Realisations,

- Attending site to meet with security contractors to assess the site security,
- Attending site with agents to inspect the property,
- Liaising with insurance brokers to ensure administration insurance cover is in place,
- Meetings and discussions with agents to advise them of the administration strategy,
- Reviewing options reports provided by agents to determine the best realisation strategy, and
- Providing updates to the secured creditor on the administration realisation strategy
- Exploring various other routes of property marketing and disposal
- Liaising with the secured creditor regarding asset disposal strategy

Creditors,

- Responding to creditor correspondence and telephone calls, and
- Completing statutory obligations towards creditors in respect of the Administrators appointment

Investigations,

- Investigation into Company's affairs, prior to and during the administration,
- Corresponding with directors, issuing directors' questionnaires,
- Preparation of Director's Conduct Report in respect of the Administrators statutory obligations to provide a conduct report to the Insolvency Compliance Unit at BIS in accordance with Company Directors Disqualification Act 1986

- 4.4 Attached at Appendix IV is a schedule detailing activities undertaken together with supporting information in accordance with the Association of Business Recovery Professionals' Statement of Insolvency Practice 9. This also contains additional information in relation to this firm's policy on staffing, disbursements and details of our current charge-out rates by staff grade

5 Joint Administrators' Disbursements

In accordance with Statement of Insolvency Practice No 9, where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories

5.1 Category 1 Disbursements

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

Such disbursements can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with Statement of

Insolvency Practice No 9, it is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the disbursements drawn

The Joint Administrators' have incurred disbursements of £2,808.75 during the period but no fees have been drawn. These are shown on the receipts and payments account at Appendix 1. Disbursements incurred in the period but not yet drawn are detailed in section 2.4

5.2 Category 2 Disbursements

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred by Moorfields for the provision of services which include an element of recharged overhead, for example, room hire or document storage. Statement of Insolvency Practice No 9 provides that such disbursements are subject to approval as if they were remuneration. Accordingly, at the aforementioned meeting, creditors passed a resolution authorising the Joint Administrators to recover Category 2 expenses and disbursements. It is our policy, in line with the Statement, to advise of any Category 2 disbursements before they are drawn

No category 2 disbursements have been drawn in this period

The following Category 2 disbursements are currently charged by this firm

- Stationery and postage charge for sending out circulars – 5 pence per sheet plus postage at cost
- A set-up charge of £50 per case for online creditor reporting where applicable

- Mileage allowances are paid at HM Revenue & Customs approved rates. For personnel using their own vehicles, these are currently 45 pence per mile for the first 10,000 miles and 25 pence per mile thereafter.

The Joint Administrators intend to seek the authority of the secured creditors to drawing these disbursements in due course

6 Prescribed Part

- 6.1 Under the provisions of Section 176A of the Insolvency Act 1986 the Administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where the company has granted a floating charge to a creditor after 15 September 2003.
- 6.2 The Company's net property is the amount of its property subject to any floating charges created by the Company after allowing for costs and claims of preferential creditors.
- 6.3 A floating charge was granted in favour of DZ Bank AG Deutsche dated 11 November 2000 and therefore the prescribed part does not apply.

7 Estimated outcome for creditors

7.1 Secured Creditors

DZ Bank AG Deutsche holds fixed and floating charges over the Company's assets dated 11 November 2000. At the date of the Administration the indebtedness stood at £2,387,980.

As the security pre-dates the introduction of the Enterprise Act 2002 on 15 September 2003, there is no requirement to set aside a prescribed part as outlined in s176A of the Act.

7.2 Preferential Creditors

The Company did not have any employees therefore there are no preferential creditors in the administration.

7 3 Unsecured Creditors

Despite repeated attempts by the Administrators to obtain details of unsecured creditors, with respective details of what they are owed, the directors have failed to provide any information in this regard to date. The Administrators are therefore unable to estimate the quantum or number of unsecured creditor claims and will advertise for claims in due course in order to bring the matter to the attention of creditors. Based on information currently available the Administrators do not anticipate there will be funds available for a distribution to be made to unsecured creditors.

As a result of the above, the Administrators have not been able to clarify creditors' claims. In accordance with information available at the time of the Administrators' proposals, the Administrators do not anticipate there being sufficient funds to enable a dividend to be paid to the unsecured creditors of the Company by virtue of the prescribed part.

The Administrators currently anticipate that there will not be a surplus available for unsecured creditors but it is difficult to estimate the amount of any distribution until the remaining assets are realised.

8 Investigations

In accordance with the Company Directors Disqualification Act 1986 I would confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills. As this is a confidential report, I am not able to disclose the contents.

Due to the limited information in hand, I have been unable to carry out a detailed investigation into the Company's affairs.

If creditors wish to bring any matters they believe to be relevant to the attention of the Administrators, they are invited to do so in writing to Simon Thomas and Nick O'Reilly at Moorfields Corporate Recovery Ltd, 88 Wood Street, London EC2V 7QF.

9 Extension of Time

9 1 Extension Request

Extension of the Administration is being sought pursuant to Rule 2.112 and paragraph 76(2) Schedule B1 from the secured creditors for a period of no more than 6 months. To facilitate the sale of the remaining Property and to ensure maximum realisations for the secured creditors.

10 Exit from Administration

10 1 Based on the information outlined above, it is the Administrators' intention to exit the Administration via dissolution of the Company as it is likely that there will be no funds to distribute at the end of the Administration, and there are no matters the Administrators consider should be dealt with through the appointment of a

Liquidator The Administrators will send a notice to that effect to the Registrar of Companies On registration of the notice the Administrators' appointment will come to an end In accordance with the provisions of paragraph 84(6) of Schedule B1 to the Insolvency Act 1986 the Company will be deemed to be dissolved three months after the registration of the notice

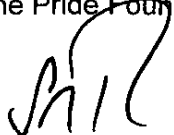
- 10 2 The Administrators will seek to be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect

11 Creditors' rights

- 11 1 Within 21 Days of the receipt of this report, a secured creditor, or an unsecured creditor (with concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Administrators provide further information about his remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report
- 11 2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the Administrators' remuneration, the remuneration charged or the expenses incurred by the Administrators as set out in the progress report are excessive (Rule 2 109)

If you have any queries regarding this report please contact Tom Anderson of this office in the first instance I will report to you again at the conclusion of the Administration or in six months' time, whichever is the sooner

For and on behalf of
The Pride Foundation Limited



S R Thomas
Joint Administrator

DDI 020 7186 1163
Fax 020 7186 1177
Email tanderson@moorfieldscr.com

Simon Thomas and Nicholas O'Reilly of Moorfields Corporate Recovery Ltd, 88 Wood Street, London, EC2V 7QF were appointed Joint Administrators on 23 May, 2013 The Administrators now manage the affairs, business and property of the Company The Joint Administrators act as agents only and without personal liability

**The Pride Foundation Limited
Statutory Information**

Company Information

Company Number	03962378
Registered Office	88 Wood Street, London EC2V 7QF
Trading Address	4a Helenslea Avenue, London,
Principal Activity	Property Holding Company

Appointment details

Joint Administrators	Simon Thomas and Nicholas O'Reilly (include IP number Simon Thomas 8920, Nick O'Reilly 8309)
Joint Administrators' address	Moorfields Corporate Recovery Ltd, 88 Wood Street London EC2V 7QF
Date of appointment	23 May, 2013
Court	High Court of Justice, Companies Court, Chancery Division
Court Reference	3774/2013
Appointed by	DZ Bank AG Deutsche under their fixed and floating charge
Functions	Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Joint Administrators acting jointly or alone
EC Regulations	The Company's registered office is from where the Company carries on its business. Therefore in the absence of proof to the contrary, the Company's centre of main interests is in the United Kingdom and as such these proceedings will be the main proceedings as defined in article 3 of the EC regulation

**The Pride Foundation Limited
(In Administration)**

**Receipts & Payments Account
From 23 May 2013 to 1 May 2014**

	Notes	Fixed Charge £	Floating Charge £	Total £
RECEIPTS	*			
Bank Interest		12 35	0 00	12 35
Contribution to costs - DZ Bank AG		20,000 00	0 00	20,000 00
Cash at Bank		0 00	57 14	57 14
		20,012 35	57 14	20,069.49
PAYMENTS				
Agents Fees		3,798 99	0 00	3,798 99
Planning application costs		385 00	0 00	385 00
Statutory advertising		498 39	0 00	498 39
Security		10,477 82	0 00	10,477 82
Marketing costs		1,000 00	0 00	1,000 00
		16,160.20	0.00	16,160 20
Balance		3,852.15	57.14	3,909 29

MADE UP AS FOLLOWS

Bank 1 Current - Interest Bearing	697 04
Bank 2 Current - Interest Bearing	57 14
Fixed Ch Vat Receivable	3,155 06
	3,909 24

Notes

* No Statement of Affairs has been provided by the directors to date

Time Entry - Detailed SIP9 Time & Cost Summary

PRID001 - The Pride Foundation Limited

From 23/11/2013 To 01/05/2014

Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
14 Statutory Reporting	0 00	0 00	5 40	0 00	5 40	1,213 00	224 63
15 Case Monitoring	0 00	8 55	0 60	0 00	9 15	3,547 00	387 65
17 General Administration	0 00	0 00	0 90	0 00	0 90	180 00	200 00
18 Cashiering	0 00	0 00	1 30	3 50	4 80	841 00	175 21
Admin & Planning	0 00	8 55	8 20	3 50	20 25	5,781 00	285 48
30 Freehold / Leasehold Property	0 00	0 30	15 00	0 00	15 30	3,813 00	249 22
36 Identifying, Securing, Insuring	0 00	0 00	1 40	0 00	1 40	336 00	240 00
1061 Sale of Share	0 00	0 00	0 30	0 00	0 30	81 00	270 00
77 Managing Agent	0 00	0 00	1 80	0 00	1 80	360 00	200 00
Asset Realisation	0 00	0 30	18 50	0 00	18 80	4,590 00	244 15
72 Legal Matters	0 00	0 00	0 60	0 00	0 60	120 00	200 00
Case Specific Matters	0 00	0 00	0 60	0 00	0 60	120 00	200 00
63 Secured creditor reports	0 00	0 00	4 60	0 00	4 60	920 00	200 00
Creditors	0 00	0 00	4 60	0 00	4 60	920 00	200 00
41 Accounting for Trading	0 00	0 00	0 40	0 00	0 40	80 00	200 00
Trading	0 00	0 00	0 40	0 00	0 40	80 00	200 00
Total Hours	0 00	8 85	32 30	3 50	44 65	11,491 00	257 36

Time Entry - Detailed SIP9 Time & Cost Summary

PRID001 - The Pride Foundation Limited

To 01/05/2014

Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
11 Administrative Set Up	0.30	1.10	0.00	0.00	1.40	585.50	418.21
12 Appointment Notification	0.30	0.00	2.95	0.00	3.25	879.00	270.46
13 Maintenance of Records	0.00	0.00	0.30	0.00	0.30	60.00	200.00
14 Statutory Reporting	1.70	0.00	14.10	0.00	15.80	4,001.50	253.26
15 Case Monitoring	0.70	13.00	10.95	0.00	24.65	7,861.00	318.90
17 General Administration	0.00	0.00	1.50	0.00	1.50	300.00	200.00
18 Cashiering	0.00	0.00	2.15	5.72	7.87	1,394.20	177.15
10 Case Planning	0.80	0.00	4.10	0.00	4.90	1,243.00	253.67
Admin & Planning	3.80	14.10	38.05	6.72	62.67	16,324.20	273.57
1061 Sale of Share	0.00	0.00	0.30	0.00	0.30	81.00	270.00
77 Managing Agent	0.00	0.00	3.10	0.00	3.10	620.00	200.00
30 Freehold / Leasehold Property	0.00	5.80	44.35	0.00	50.15	12,949.50	258.22
36 Identifying, Securing, Insuring	0.00	0.00	7.50	0.00	7.50	1,691.00	225.47
38 Asset related legal matters	0.00	0.00	0.20	0.00	0.20	54.00	270.00
Asset Realisation	0.00	5.80	55.45	0.00	61.25	15,395.50	251.38
72 Legal Matters	0.00	0.00	0.60	0.00	0.60	120.00	200.00
Case Specific Matters	0.00	0.00	0.60	0.00	0.60	120.00	200.00
50 Creditor Correspondence	0.00	0.50	0.00	0.00	0.50	200.00	400.00
51 Unsecured creditor claims	0.00	0.00	2.10	0.00	2.10	420.00	200.00
52 Secured creditor claims/Reporting	0.00	1.80	1.30	0.00	3.10	980.00	316.13
63 Secured creditor reports	0.00	0.00	5.80	0.00	5.80	1,180.00	200.00
Creditors	0.00	2.30	9.20	0.00	11.50	2,760.00	240.00
21 CDDA Reports	0.00	0.00	1.25	0.00	1.25	288.50	230.80
22 Antecedent Transactions	0.00	0.00	2.90	0.00	2.90	580.00	200.00
Investigations	0.00	0.00	4.15	0.00	4.15	888.50	209.28
1 Expenses	0.00	0.50	0.00	0.00	0.50	200.00	400.00
Non-chargeable - expenses	0.00	0.50	0.00	0.00	0.50	200.00	400.00
40 Management of Operations	0.00	1.00	0.00	0.00	1.00	400.00	400.00
41 Accounting for Trading	0.00	0.00	0.50	0.00	0.50	104.00	208.00
Trading	0.00	1.00	0.50	0.00	1.50	504.00	336.00
Total Hours	3.80	23.70	105.95	6.72	139.17	36,172.20	259.91

The Pride Foundation Limited

1 Explanation of office-holders charging and disbursement recovery policies

In accordance with best practice we provide below details of policies of Moorfields Corporate Recovery Ltd, in respect of fees and disbursements for work in relation to insolvency estates

This summary outlines the activities undertaken during this matter to date together with details of charge out rates for time costs incurred and the basis of disbursements incurred and recharged

The activities are summarised as follows

1 1 Administration and planning

The following activities have been undertaken

- Statutory duties associated with the appointment including the filing of relevant notices,
- Notification of the appointment to creditors, members, employees and other interested parties,
- Setting up of case files
- Reviewing available information to determine the appropriate strategy,
- Setting up and maintaining bank accounts,
- Implementing the strategy for the Administration,
- 6 monthly progress review of the case,
- Completion of statutory returns to the Insolvency Compliance Unit of the Department for Business Innovation and Skills

Staff of different levels were involved in the above activities depending upon the experience required

1 2 Realisation of assets

Appendix II shows the realisations made for the benefit of the creditors. In this case the assets belonging to the Company were as follows,

- Attending site to meet with security contractors to assess the site security,
- Attending site with agents to inspect the property,
- Liaising with insurance brokers to ensure administration insurance cover is in place,
- Carrying out a visual site inspection to determine the condition of the property,
- Meetings and discussions with agents to advise them of the administration strategy,
- Reviewing options reports provided by agents to determine the best realisation strategy, and
- Providing updates to the secured creditor on the administration realisation strategy
- Exploring various other routes of property marketing and disposal

- Liaising with the secured creditor regarding asset disposal strategy
- Preparing and circulating updated estimated outcome statements for secured creditor to assist with decisions

1 3 Creditors

The time spent includes the following matters

- Recording and maintaining the list of creditors,
- Responding to creditor correspondence and telephone calls; and
- Completing statutory obligations towards creditors in respect of the Administrators appointment
- Dealing with employee related matters,
- Employee communications and liaising with Government agencies to facilitate employee claims for unpaid entitlements,
- Recording creditor claims,
- Dealing with specific creditor calls and correspondence,
- Reporting to creditors,
- Dealing with creditor queries,
- Reviewing and evaluating creditor claims to date

1 4 Investigations and communications

The time spent includes the following matters

- Investigation into Company's affairs, prior to and during the administration,
- Reviewing Company books and records, including accounts and bank statements,
- Corresponding with directors, issuing and reviewing directors' questionnaires,
- Initial preparation of Director's Conduct Report in respect of the Administrators statutory obligations to provide a conduct report to the Insolvency Compliance Unit at BIS in accordance with Company Directors Disqualification Act 1986

2 0 Time recording

The Partners will engage managers and other staff to work on the insolvent estate and statutory compliance diaries. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the estate's bank accounts. Work carried out by all staff is subject to the overall supervision of the Partners.

All time spent by staff working directly on case related matters is charged to a time code established for the case. Each member of staff has a specific hourly rate, which is subject to change over time.

The current charge out rates per hour of staff within the firm who may be involved in working on the insolvency follows, this in no way implies that staff at all such grades will work on the case

GRADE	£
Partner	485
Director/ Senior Manager	400
Manager	325
Assistant Manager	270
Senior Administrator	200-240
Administrator	125-200
Cashier/ Support	160

The rates charged by Moorfields Corporate Recovery Ltd are reviewed periodically in January & July each year and are adjusted to take account of inflation and the firm's overheads

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time in units of 6 minutes

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate

Where remuneration has been approved on a time cost basis the time invoiced will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors, the report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs

Approved remuneration will be drawn at such times that sufficient funds are available

For your information, A Creditor's Guide to Administrators' Fees can be obtained at <http://www.insolvency-practitioners.org.uk/uploads/Admin.pdf>

3 0 Disbursement recovery

Category 1 Disbursements

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

Such disbursements can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with Statement of Insolvency Practice No 9, it is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the disbursements drawn.

Category 2 Disbursements

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred by Moorfields Corporate Recovery Ltd for the provision of services which include an element of recharged overhead, for example, room hire or document storage. Statement of Insolvency Practice No 9 provides that such disbursements are subject to approval as if they were remuneration. It is our policy, in line with the Statement, to seek approval for Category 2 disbursements before they are drawn.

The following Category 2 disbursements may be charged by this firm:

- Stationery and postage charge for sending out circulars – 5 pence per sheet plus postage at cost
- A set-up charge of £50 per case for online creditor reporting where applicable
- Mileage allowances are paid at HM Revenue & Customs approved rates. For personnel using their own vehicles, these are currently 45 pence per mile for the first 10,000 miles and 25 pence per mile thereafter.

It should be noted that disbursements costs might increase from time to time, however, increases would only be in line with inflation or increases from our supplier.

The Pride Foundation Limited

1 Explanation of office-holders charging and disbursement recovery policies

In accordance with best practice we provide below details of policies of Moorfields Corporate Recovery Ltd, in respect of fees and disbursements for work in relation to insolvency estates

This summary outlines the activities undertaken during this matter to date together with details of charge out rates for time costs incurred and the basis of disbursements incurred and recharged

The activities are summarised as follows

1 1 Administration and planning

The following activities have been undertaken

- Statutory duties associated with the appointment including the filing of relevant notices,
- Notification of the appointment to creditors, members, employees and other interested parties,
- Setting up of case files
- Reviewing available information to determine the appropriate strategy,
- Setting up and maintaining bank accounts,
- Implementing the strategy for the Administration,
- 6 monthly progress review of the case,
- Completion of statutory returns to the Insolvency Compliance Unit of the Department for Business Innovation and Skills

Staff of different levels were involved in the above activities depending upon the experience required

1 2 Realisation of assets

Appendix II shows the realisations made for the benefit of the creditors. In this case the assets belonging to the Company were as follows,

- Attending site to meet with security contractors to assess the site security,
- Attending site with agents to inspect the property,
- Liaising with insurance brokers to ensure administration insurance cover is in place,
- Carrying out a visual site inspection to determine the condition of the property,
- Meetings and discussions with agents to advise them of the administration strategy,
- Reviewing options reports provided by agents to determine the best realisation strategy, and
- Providing updates to the secured creditor on the administration realisation strategy
- Exploring various other routes of property marketing and disposal

- Liaising with the secured creditor regarding asset disposal strategy
- Preparing and circulating updated estimated outcome statements for secured creditor to assist with decisions

1 3 Creditors

The time spent includes the following matters

- Recording and maintaining the list of creditors,
- Responding to creditor correspondence and telephone calls, and
- Completing statutory obligations towards creditors in respect of the Administrators appointment
- Dealing with employee related matters,
- Employee communications and liaising with Government agencies to facilitate employee claims for unpaid entitlements,
- Recording creditor claims,
- Dealing with specific creditor calls and correspondence,
- Reporting to creditors,
- Dealing with creditor queries,
- Reviewing and evaluating creditor claims to date

1 4 Investigations and communications

The time spent includes the following matters

- Investigation into Company's affairs, prior to and during the administration,
- Reviewing Company books and records, including accounts and bank statements,
- Corresponding with directors, issuing and reviewing directors' questionnaires,
- Initial preparation of Director's Conduct Report in respect of the Administrators statutory obligations to provide a conduct report to the Insolvency Compliance Unit at BIS in accordance with Company Directors Disqualification Act 1986

2 0 Time recording

The Partners will engage managers and other staff to work on the insolvent estate and statutory compliance diaries. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the estate's bank accounts. Work carried out by all staff is subject to the overall supervision of the Partners.

All time spent by staff working directly on case related matters is charged to a time code established for the case. Each member of staff has a specific hourly rate, which is subject to change over time.

The current charge out rates per hour of staff within the firm who may be involved in working on the insolvency follows, this in no way implies that staff at all such grades will work on the case

GRADE	£
Partner	485
Director/ Senior Manager	400
Manager	325
Assistant Manager	270
Senior Administrator	200-240
Administrator	125-200
Cashier/ Support	160

The rates charged by Moorfields Corporate Recovery Ltd are reviewed periodically in January & July each year and are adjusted to take account of inflation and the firm's overheads

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- Stationery and postage charge for sending out circulars – 5 pence per sheet plus postage at cost
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