

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company AAA Retirement & Investment Services Ltd	Company number 03981261
In the High Court of Justice, Leeds District Registry [full name of court]	Court case number 2068 of 2010

(a) Insert full name(s) and address(es) of administrator(s) We, Bob Maxwell of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds LS1 2JZ and Rob Sadler of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ

* Delete as applicable attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) Insert date (b) 13 December 2010

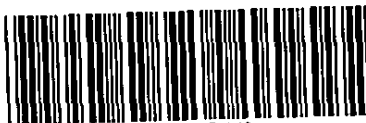
Signed [Signature]
Joint Administrator
Dated 13/12/10

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Begbies Traynor (Central) LLP	
9th Floor, Bond Court, Leeds LS1 2JZ	
	Tel 0113 244 0044
Fax Number 0113 244 5820	DX Number

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



A29 21/12/2010 348
COMPANIES HOUSE



Bob Maxwell and Rob Sadler were appointed as joint administrators on 21 October 2010

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability

AAA Retirement & Investment Services Ltd (In Administration)

Statement of proposals of the joint administrators for achieving the purpose of the administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 2.33 of the Insolvency Rules 1986

Important Notice

The administrators' statement of proposals has been produced for the sole purpose of advising creditors pursuant to the provisions of the Insolvency Act 1986. 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 this report to them, or by any other person for any purpose whatsoever. Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	AAA Retirement & Investment Services Ltd (In Administration)
"the administration"	The appointment of administrators under Schedule B1 of the Insolvency Act 1986 on 21 October 2010
"the administrators"	Bob Maxwell of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ Rob Sadler of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

2. STATUTORY INFORMATION

Name of Company	AAA Retirement & Investment Services Ltd	
Date of Incorporation	26 April 2000	
Company registered number	03981261	
Company registered office	c/o Begbies Traynor, 9th Floor, Bond Court, Leeds, LS1 2JZ	
Trading address	28 Ashbourne Road, Derby, Derbyshire, DE22 3AD	
Principal business activities	Business Services - Property Services	
Directors and details of shares held in the Company (if any)	Name	Shareholding (%)
	David Andrew Robinson	100
Company Secretary and details of the shares held in Company (if any)	Name:	Shareholding (%)
	Heidi Louise Robinson	-
Auditors	-	
Share capital	2 Ordinary Shares	
Shareholders	David Andrew Robinson	

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators	Bob Maxwell, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ Rob Sadler, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ
Date of administrators' appointment	21 October 2010
Court	High Court of Justice, Leeds District Registry
Court Case Number	2068 of 2010
Person making appointment	Clydesdale Bank Plc t/a Yorkshire Bank, 20 Merrion Way, Leeds, LS2 8NZ
Acts of the administrators	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EC Regulation on Insolvency Proceedings	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.

STATUTORY PURPOSE OF ADMINISTRATION

Paragraph 3 of Schedule B1 to the Act provides as follows

- (1) The administrator of a company must perform his functions with the objective of-
 - (a) rescuing the company as a going concern, or
 - (b) 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
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors
- (2) Subject to sub-paragraph (4), the administrator of a company must perform his functions in the interests of the company's creditors as a whole
- (3) The administrator must perform his functions with the objective specified in sub-paragraph (1)(a) unless he thinks either-
 - (a) that it is not reasonably practicable to achieve that objective, or
 - (b) that the objective specified in sub-paragraph (1)(b) would achieve a better result for the company's creditors as a whole

- (4) The administrator may perform his functions with the objective specified in sub-paragraph (1)(c) only if-
 - (a) he thinks that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph (1)(a) and (b), and
 - (b) he does not unnecessarily harm the interests of the creditors of the company as a whole "

4. CIRCUMSTANCES GIVING RISE TO THE APPOINTMENT OF ADMINISTRATORS

The Company was incorporated on 26 April 2000 to develop and sell real estate and lettings. David Robinson has been a director and Helen Richardson director and company secretary of the Company from incorporation. Helen Richardson resigned as director and company secretary on 14 September 2004. Heidi Robinson was appointed company secretary on 14 September 2004.

The Company's main assets

- 1 **Belper** a partially complete retail / residential property with units to the rear part tenanted
- 2 **Newark** a Grade 2 listed courtyard development partially complete. Elements of this site are deteriorating and have raised concerns regarding safety issues.

In July 2010 Yorkshire Bank plc ("the Bank") approached us for insolvency advice regarding the Company and its lending. The Company's position was monitored over the following months which concluded that it was unable to meet its liabilities in respect of monies becoming due to creditors, including the Bank under its security. Accordingly in order to safeguard the properties, the Bank presented a Notice of Intention to Appoint Administrators of the Company on 21 October 2010. Pursuant to Paragraph 14 of Schedule B1 of The Insolvency Act 1986 on 21 October 2010 and Robert A H Maxwell and Rob Sadler were appointed as Joint Administrators.

5. STATEMENT OF AFFAIRS

Formal notices have been sent to the Company's Director requiring a submission of a statement of the Company's affairs as at the date of appointment to the Administrators. To date no statement of affairs has been provided.

In the circumstances, Rule 2.33(2) of the Insolvency Act 1986 dictates that we must provide details of the financial position of the company at the latest practicable date (which must, unless the court otherwise orders, be a date not earlier than that on which the Company entered administration), a list of the Company's creditors including their names, addresses and details of their debts, including any security held.

In order not to prejudice the values which may be achieved from the Company's property assets, we do not disclose them in this report, except to say that we expect they will be insufficient to satisfy the Bank's indebtedness of approximately £1.48 million. There will thus be no surplus funds available to distribute to any other class of creditor.

The other creditors can be summarised as follows (estimated figures)

Preferential Creditors £Nil

Unsecured Creditors £Unknown

To this end we attach the following -

Appendix 1 Joint administrators' account of receipts and payments

Appendix 2 A list of creditors giving details of their debts and any security held. Please note that this list is based on information provided by the directors of the Company and does not necessarily represent a definitive list.

Appendix 3 Joint administrators' time costs and expenses

6. THE ADMINISTRATION PERIOD

The Company's principal assets are the properties at 30-32 and 34 Bridge Street, Belper and 35 Northgate, Newark. Details of each property are provided below.

30-32 Bridge Street, Belper

This property is a double-fronted unit which is a part commercial, part residential development. The front high street facing section is currently being let to a retail shop. The joint administrators are trying to establish under what terms this lease has been agreed.

The rear of the unit consists of a number of residential lettings which we believe are currently occupied by tenants. The joint administrators are in the process of reviewing the terms of occupation and tenancy agreements.

In addition, there is a terrace construction to the rear of the property made up of three commercially occupied units. We believe two of these units are also currently being let and trying to establish the terms of occupation.

34 Bridge Street, Belper

This property is also a part commercial, part residential development. The front ground floor unit is occupied as a hairdressers and beauty parlour, with the rear having been converted into self-contained apartments. This conversion is as yet incomplete, however some of the apartments are currently occupied.

The Maltings, 35 Northgate, Newark

This property is a Grade II listed Georgian building. The Company had carried out works to convert the property into a number of residential lets, however, these works are still some way from completion. We await advice from our agents with regard to the most appropriate disposal strategy for this property.

We have instructed Sanderson Weatheralls, Chartered Surveyors, to professionally value, market and advise on the disposal strategy of the properties. They are in the process of preparing a valuation report and advice in respect of the properties in their current incomplete state and the work that is required for completion.

Upon receipt of advice from our agents, we shall seek to actively market the properties. Given that this document is in the public domain we have chosen not to include our expectations of the value which this property may achieve as we believe that to do so may be prejudicial to realisations. However, we can disclose that we do not anticipate that realisations will be sufficient to discharge the Company's indebtedness.

to the Bank under its fixed charge security, hence we do not anticipate that funds will be available to distribute to unsecured creditors

Receipts and Payments

Attached at Appendix 1 is our account of receipts and payments from the commencement of administration, 21 October 2010 to 8 December 2010

To date there has only been one payment of £75 60 in respect of statutory advertising

7. ESTIMATED OUTCOME FOR CREDITORS

Secured creditors

HSBC Bank plc granted a debenture and nine legal mortgages as detailed below which have been satisfied. A Notice of Satisfaction has not yet been filed at Companies House.

Peninsula Finance plc created a legal charge on 4 July 2006 which was registered on 6 July 2006. I am waiting for further information in respect of this charge.

Clydesdale Bank plc t/a Yorkshire Bank plc granted a debenture and two legal mortgages which were created on 12 September 2007, 2 October 2007 and 5 October 2007 and registered on 15 September 2007, 6 October 2007 and 18 October 2007, respectively.

The secured creditors are likely to suffer as shortfalls due to the current property climate.

Preferential creditors

There are no known preferential claims for employees for arrears of wages, salary and holiday pay.

Unsecured creditors

On the basis of realisations to date and estimated future realisations we estimate that there will be insufficient funds available for a distribution to unsecured creditors.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the administrator must make a *prescribed part* of the Company's *net property* available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. *Net property* means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The floating charge holder may not participate in the distribution of the prescribed part of the Company's net property. The *prescribed part of the Company's net property* is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of *net property*;
- ☐ 20% of *net property* thereafter;
- ☐ Up to a maximum amount to be made available of £600,000.

An administrator will not be required to set aside the *prescribed part of net property* if

- ☐ the *net property* is less than £10,000 and the administrator thinks that the cost of distributing the *prescribed part* would be disproportionate to the benefit, (Section 176A(3)) or

- the administrator applies to the court for an order on the grounds that the cost of distributing the *prescribed part* would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5))

Pursuant to Rule 2.33(3), the joint administrators consider it in the best interests of the creditors not to disclose estimates of the prescribed part of the Company's net property at this time on the grounds that the disclosure could seriously prejudice the commercial interests of the Company

8. ADMINISTRATORS' PROPOSALS FOR ACHIEVING THE PURPOSE OF THE ADMINISTRATION

Purpose of the Administration

We are required to set out our proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3 of this report above

For the reasons set out in our report, we presently consider that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph 3(1)(a) and 3(1)(b), and consequently the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(c), namely realising property in order to make a distribution to one or more secured or preferential creditors. We furthermore consider that pursuing this objective should not unnecessarily harm the interests of the creditors of the Company as a whole

We consider that being able to market the properties in the context of an administration as an alternative to an immediate cessation of trade and liquidation of the Company has significantly enhanced the prospects for the secured creditors

In order that the purpose of the administration may be fully achieved, we propose to remain in office as administrators in order to conclude the realisation of the Company's property. The principal matters to deal with in this respect are

- Collection of rental income,
- Clarify issues regarding health and safety and compliance with building regulations,
- Resolve tenancy agreements to the commercial and residential properties, and
- Sale of fixed charge properties

Following these events we propose to finalise distributions to the secured creditor

The joint administrators propose that

- 1) The joint administrators will seek to agree creditors' claims generally
- 2) The joint administrators will, if they see fit, make an application pursuant to paragraph 65(3) of Schedule B1 of the Insolvency Act 1986, for the permission of the Court to make a payment by way of a distribution to all or any creditors where such distribution is considered to be in the best interests of creditors as a whole
- 3) The Company shall remain in administration for such period as the joint administrators deem necessary and appropriate
- 4) If necessary, the joint administrators shall have the authority to apply to Court for an extension of the duration of the administration for a period of up to six months (in accordance with the provisions of Schedule B1 paragraph 76(2) of the Insolvency Act 1986)

- 5) In the event that the joint administrators are of the view that it is appropriate for the Company to move from administration into liquidation, the joint administrators be authorised to take steps to place the Company into creditors voluntary liquidation as detailed in the 'Exit from Administration' section in the main body of the report.
- 6) In the event that the Company moves to Liquidation the Joint Administrators be appointed as Joint Liquidators
- 7) If the joint administrators consider that there will be no distribution to unsecured creditors, and if they also consider that an exit from administration into liquidation is not appropriate, then the joint administrators be authorised to take the necessary procedural steps to bring about the end of the administration and move the Company into dissolution pursuant to paragraph 84 of Schedule B1 of the Act. For more details of this procedure, please refer to the 'Exit from Administration' section in the main body of the report
- 8) Upon the Company either proceeding into liquidation or dissolution as set out above, the joint administrators discharge from liability, pursuant to paragraph 98 of Schedule B1 shall take effect fourteen days following either the Company entering into liquidation or filing the Notice moving from administration to dissolution
- 9) For the purposes of Rule 2.106(2)(b) of the Insolvency Rules 1986, the joint administrators' remuneration be fixed on the basis of their hourly costs at scale rates calculated on the time properly spent in the course of the administration and that, subject to full disclosure to creditors in accordance with *Statement of Insolvency Practice 9* issued by the Joint Insolvency Committee on behalf of the administrators' licensing bodies, they may draw their remuneration on account as and when funds permit
- 10) Begbies Traynor's costs and expenses relating to planning and acceptance of the appointment be treated as an expense of the administration (albeit incurred prior to the date of appointment) and calculated by reference to the charge out rates in Appendix 3 hereto
- 11) The joint administrators shall have authority to sanction and agree the fees of any solicitors, quantity surveyors or similar agents by reference to the time given by such agents and their staff, in attending to matters arising in the administration
- 12) The joint administrators be at liberty to recharge disbursements as detailed in the circulated Guide to Administrators' Fees
- 13) The joint administrators be at liberty to pay costs and remuneration as and when funds become available
- 14) Without prejudice to the provisions of Section 14 of the Insolvency Act 1986, the joint administrators may carry out all other acts that they may consider to be incidental to the proposals above in order to assist in their achievement of the stated purposes of the administration order or any variation thereto
- 15) That the joint administrators be and they are hereby discharged from liability in respect of any actions of theirs as administrators, pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986, with effect from the date their appointment as joint administrators ceases to have effect.

Exit from Administration

On present information we consider that the Company will have insufficient property to enable a distribution to be made to unsecured creditors. Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to implement the provisions of Paragraph 84 of Schedule B1 to the Act. Under these provisions, on the

registration of a notice sent by us to the Registrar of Companies, our appointment as administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved

Where an administrator sends such a notice of dissolution to the Registrar of Companies, he must also file a copy of the notice with the court and send a copy to each creditor of the Company, and on application by any interested party the court may suspend or disapply the automatic dissolution of the company

Extending the administration

It may transpire that it is not possible to finalise the administration as envisaged within one year of the date of our appointment. In particular, this situation will arise if we are not able to conclude the sale of the property. Yet Paragraph 76 of Schedule B1 to the Act provides that the appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. The administrator's term of office may be extended either by court for a specified period or by consent of the creditors for a specified period not exceeding six months. We have, therefore, proposed extending the period of the administration for up to a further six months following the anniversary of our appointment in order to ensure that the objective of the administration can be fully achieved

9. ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

Administrators' Remuneration

The joint administrators propose that the basis of their remuneration be fixed under Rule 2.106 of the Rules by reference to the time properly given by them (as administrators) and the various grades of their staff calculated at the prevailing hourly rates of Begbies Traynor (Central) LLP in attending to matters arising in the administration

These proposals contain a statement by the administrators, in accordance with paragraph 52(1)(b) of Schedule B1 to the Act, that they consider that the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of Section 176A(2)(a) of the Act (the 'prescribed part' for unsecured creditors referred to at section 7). In these circumstances, it is for each secured creditor and the preferential creditors of the Company to determine the basis of the administrators' remuneration under Rule 2.106 of the Rules

Appendix 3 sets out the administrators' firm's hourly charge out rates and the time that they and their staff have spent in attending to matters arising in the administration since 21 October 2010

Administrators' disbursements

The administrators propose that disbursements, including disbursements for services provided by their firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9) be charged in accordance with their firm's policy, details of which are set out at Appendix 3. These disbursements will be identified by the administrators and subject to the approval of those responsible for determining the basis of the administrators' remuneration

Pre-administration costs

In the period before the Company entered administration, the joint administrators carried out work consisting of the initial review work, followed by matters relating to the insolvency of the Company ("the Work"). The Work was carried out pursuant to agreement with the Company and the secured creditor

The Work was carried out before the Company entered administration because this is more cost effective than if it had been carried out during an Administration, which would have entailed significant additional professional costs around trading the Company. The joint administrators consider that the Work has

furthered the achievement of the objective of administration being pursued, namely realising property in order to make a distribution to the secured creditor. We furthermore consider that pursuing this objective should not unnecessarily harm the interests of the creditors of the Company as a whole.

The joint administrators' fees are in the total sum of £6,459 plus VAT.

The Pre-administration costs detailed above are unpaid. The joint administrators are seeking that the costs be paid as an expense of the administration. Pursuant to Rule 2.67A of the Insolvency Rules 1986, approval to pay such costs as an expense is required from the secured creditor of the Company.

10. OTHER INFORMATION TO ASSIST CREDITORS

Report on the conduct of directors

The administrators have a statutory duty to investigate the conduct of the Director and any person they consider to be or have been a shadow or de facto director during the period of three years before the date of their appointment, in relation to their management of the affairs of the Company and the causes of its failure. The administrators are obliged to submit confidential reports to the Department for Business, Innovation and Skills.

Creditors who wish to draw any matters to the attention of the administrators' should write to them at their address detailed at Section 3 of this report.

Connected party transactions

The administrators have not been made aware of any sales of the Company's assets to connected parties.

11. CONCLUSION

The administrators presently consider that the Company has insufficient property to enable a distribution to be made to unsecured creditors (other than by virtue of Section 176A(2)(a)).

In these circumstances the obligation to summon an initial meeting of the Company's creditors to consider the administrators' proposals is disapplied by paragraph 52(1). The administrators are therefore not under a statutory obligation to summon such a meeting unless creditors, whose debts amount to at least 10% of the total debts of the Company, requisition such a meeting. Any such requisition must be in the prescribed manner in accordance with Rule 2.37 and be made within 8 business days of the date on which the administrators' statement of proposals is sent out. The expenses of summoning and holding a meeting at the request of a creditor shall be paid by that person, who shall deposit with the administrators security for their payment. If no such meeting is requisitioned, then by Rule 2.33(5), the administrators' proposals are deemed to have been approved by the creditors. Where the proposals are deemed to have been approved, we will write to you to confirm that is the position.

In the absence of an initial creditors' meeting we will report on progress again approximately six months after the commencement of the administration, or at the conclusion of the administration, whichever is the sooner.



R A H Maxwell
Joint Administrator

Date 10 December 2010

JOINT ADMINISTRATORS' ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 21 October 2010 to 10 December 2010

	Receipts & Payments to date £
Assets specifically pledged	
34 Bridge Street, Belper, Derbyshire, DE56 1AX	-
The Maltings, 35 Northgate, Newark, Nottinghamshire, NG24 1HD	-
Less Clydesdale Bank plc	-
	-
Assets not specifically pledged	
Rental income	-
	-
Payments	
Accountant's fees	-
Administrator's disbursements	-
Administrator's fees	-
Agent's fees & expenses	-
Bordereau (statutory bond)	-
Insurance	-
Legal fees	-
Mail redirection	-
Rates	-
Statutory advertising	(76)
Available for preferential creditors	(76)
Arrears of wages and holiday pay	-
	-
Net property	(76)
Prescribed part of net property set aside for unsecured creditors	-
	-
Available for floating charge holder	(76)
Clydesdale Bank plc	-
	-
	(76)
Summary of balances held	
Fixed charge	-
Floating charge	-
	-
Held as	
Bank	(76)
VAT	(13)
	(89)

Begbies Traynor (Central) LLP

**AAA Reframe Ltd & Investor Services Limited
Secured Statement of Affairs Figures**

	S of A
	£
Yorkshire Bank plc	1,480,000
Total	1,480,000

Begbies Traynor (Central) LLP

**AAA Retirement & Investment Services Limited
Unsecured Statement of Affairs Figures**

	*S of A
	£
Attenborough & Co	-
Alert Electrical	-
Amber Valley Borough Council	-
Mr C Booth	-
Mr D Cooke	-
Gafton Merchanting	-
Howarth Timber & Building Supplies	-
HM Revenue & Customs	-
Jewson Credit Services	-
Newark & Sherwood District Council	-
Mrs & Mrs I Roberts	-
Mr D Robinson	-
Total	-

* we have only been provided with names and addresses of creditors please forward an up to date statement of amounts owing to lodge your claim

JOINT ADMINISTRATORS' TIME COSTS AND EXPENSES

Remuneration drawn will be notified to any creditors' committee appointed under paragraph 57 of Schedule B1 to the Act. In the absence of a creditors' committee, details of time incurred and disbursements drawn will be reported to creditors in accordance with *Statement of Insolvency Practice 9* issued by the Joint Insolvency Committee on behalf of the administrators' licensing bodies.

Total time spent to 8 December 2010 on this assignment amounts to 43 hours at an average composite rate of £181.63 per hour resulting in total time costs to date of £7,810.

To assist creditors in determining this matter, the following further information on time costs and expenses are set out:

- ☐ Begbies Traynor (Central) LLP's policy for re-charging expenses
- ☐ Begbies Traynor (Central) LLP's charge-out rates
- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value

In addition, a copy of *A Creditors' Guide to Administrators' Fees* is available on request. Alternatively, the guide can be downloaded from our website www.begbies-traynor.com via the "Corporate Recovery and Insolvency" link in the "Quick Links" box on the left hand side of the homepage. From there please follow the "Creditor" link which will take you to the appropriate page where the Guide can be found at the end.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 per meeting,
- Car mileage is charged at the rate of 40 pence per mile,
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates,

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the office as at the date of this report are as follows

	Standard 1 July 2008 – until further notice Regional
Partner	350
Director	325
Senior Manager	295
Manager	250
Assistant Manager	195
Senior Administrator	160
Administrator	130
Trainee Administrator	100
Support	100

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in 6 minute units

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME AAA Retirement & Investments Limited ("the Company")
CASE TYPE Administration
OFFICE HOLDERS Rob Sadler and Robert A H Maxwell
DATE OF APPOINTMENT: 21 October 2010

1 CASE OVERVIEW

- 1.1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case
- 1.2 **Complexity of the case**
This case has centred round resolving issues that have arisen with the properties and the tenants with a view to marketing the properties for sale in the public domain
- 1.3 **Exceptional responsibilities**
Dealing with the tenants' maintenance issues and health & safety and planning issues that have arisen in respect of the properties prior to them being marketed for sale
- 1.4 **The office holders' effectiveness**
No realisations have been made to date as the properties have not yet been placed on the market
- 1.5 **Nature and value of property dealt with by office holders'**
Part residential and retail property with commercial units at the rear part tenanted
Grade II listed building part complete development
- 1.6 **Anticipated return to creditors**
The secured creditor will not be repaid in full There is no prospect of a dividend to any other class of creditor
- 1.7 **Time costs analysis**
An analysis of time costs incurred between 21 October 2010 and 10 December 2010 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type

The time costs analysis provides details of work undertaken by the office holders and their staff following their appointment only
- 1.8 **The views of the creditors**
Creditors are invited in the covering letter to this report to contact the joint administrators' should they have any queries
- 1.9 **Approval of fees**
The joint administrators' will be seeking the consent of the secured creditor for their approval of their fees

1 10 Approval of Expenses and Disbursements

The joint administrators' will be seeking the consent of the secured creditor for their approval of their expenses and disbursements

1.13 Other professional employed & their costs

Sanderson Weatheralls have been engaged to value the properties, provide professional advice regarding health & safety and planning issues, marketing strategies and disposal

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

2 1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached as part of this Appendix 2

2 2 The rates charged by the various grades of staff who may work on a case are also attached as part of this Appendix 2

