

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company

Rushden Park & Lakes Development Company
Limited

Company number

04072003

In the

High Court of Justice, Chancery Division,
Birmingham District Registry
(full name of court)

Court case number

8415 of 2014

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

We (a)

R K Grant
Zolfo Cooper
35 Newhall Street
Birmingham
B3 3PUL A Causer
Zolfo Cooper
35 Newhall Street
Birmingham
B3 3PUC M Williamson
Zolfo Cooper
The Zenith Building
26 Spring Gardens
Manchester
M2 1AB*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) 8 December 2014

Signed


Joint Administrator

Dated

8/12/2014

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
formThe contact information that you give
will be visible to researchers of the
public recordTanvir Miah
Zolfo Cooper
The Zenith Building
26 Spring Gardens
Manchester
M2 1AB

DX Number

+44 (0) 161 838 4500
DX ExchangeWhen 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

TUESDAY



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COMPANIES HOUSE

Administrators' Statement of Proposals

Rushden Park & Lakes Development
Company Limited
In Administration

5 December 2014

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1 Why this report has been prepared

- 1.1** Ryan Grant, Lee Causer and Catherine Williamson (the Administrators) were appointed as Administrators of Rushden Park & Lakes Development Company Limited (the Company) on 23 October 2014.
- 1.2** In accordance with UK insolvency legislation, administrators are required to make a statement setting out their proposals for achieving the statutory purpose of an administration. This report and all appendices form the Administrators' proposals and covers the period 23 October 2014 to 28 November 2014 (the Period).
- 1.3** The purpose of this report is to provide statutory and financial information about the Company, the background to the Administration, the Administrators' proposed strategy, details regarding the Administrators' fees and the expected outcome for each class of creditor.
- 1.4** An administrator of a company must perform their functions with a view to achieving one of the following statutory objectives.
- Objective 1: rescuing a company as a going concern;
- Objective 2 achieving a better result for a company's creditors as a whole than would be likely if a company were wound up (without first being in administration); or
- Objective 3: realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.5** In this case the Administrators are pursuing the second statutory objective. Further details of how they intend to achieve that objective can be found in section 4 of this report.
- 1.6** The Company's creditors are responsible for approving the Administrators' proposals and fees. In this case it is proposed that the basis of the Administrators' fees and category 2 disbursements will be approved by the secured creditor only. Further details of fees and costs can be found at Appendices E and F.
- 1.7** The Administrators do not intend to convene an initial meeting of creditors. However, creditors can request for a meeting to be held and further details on this matter can be found in section 7 of this report.
- 1.8** More information relating to the Administration process, Administrators' fees and creditors' rights can be found on Zolfo Cooper's creditor portal (<http://www.zcinfoportal.com>), log-in details to access this information can be found within the covering letter you have received.
- 1.9** If you require a hard copy of this report or have any queries in relation to the contents of this report or the Administration generally, please contact Tanvir Miah on 0161 838 4500 or creditorreports@zolfocooper.eu, or write to Zolfo Cooper's office at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB.

2 Summary of information for creditors

Estimated dividend for creditors

Description	Estimated debt (£)	Likely level of return (£) or (pence/£)
Secured creditor - Bank of Scotland plc	6,289,915	£123,000
Unsecured creditors	388,268	7.6 p/£

Notes:

The estimated debt due to Bank of Scotland plc (the Bank) has been taken from a formal demand for repayment issued on 22 October 2014.

Please note that the Company did not have any employees at the date of the appointment and it is not believed that the Company had employees previously, therefore no preferential claims are expected.

Due to the fact that the Company was previously dissolved, limited information is available in order to quantify the amounts due to the unsecured creditors. The Administrators have written to the creditors using the information provided by the former administrators and from the directors' statement of affairs (SofA), inviting all potential creditors to submit a claim in the Administration.

The Administrators have liaised with the directors of the Company notifying them of their responsibility to prepare a SofA. This has been received and a summary of the SofA is provided at Appendix C. The amounts due to unsecured creditors in the table above have been taken from the directors' SofA. Funds available for distribution and dividend rates are detailed after taking into account the estimated costs of making the distribution.

The likely levels of return are estimated and are subject to change.

In respect of unsecured creditors, UK insolvency legislation stipulates that creditors of the same class should be treated equally. Hence the funds available for distribution are split on a pro-rata basis amongst all creditors of each class, regardless of the size of their claims.

For further information please refer to section 6 of this report.

3 Background and circumstances leading to the Administration

- 3.1** The Company was incorporated in September 2000 and its sole asset at this time was land located in Rushden, Northamptonshire (the Land). In April 2011, David Langton and Matthew Cowlshaw of Deloitte LLP were appointed administrators (the Former Administrators) of the Company (the Original Appointment) by the floating chargeholder.
- 3.2** The Company granted the Bank a fixed legal charge over the Land and fixed and floating charges dated 1 November 2007 over the Company's assets. Further details of the security granted can be found at Appendix B.
- 3.3** As part of the Original Appointment, the Former Administrators and LPA Receivers were in office to realise the Company's sole asset and as such, were pursuing the second objective of an administration.
- 3.4** For detailed information in relation to the work completed by the Former Administrators and LPA Receivers as part of the Original Appointment, creditors can refer to the Statement of Proposals dated 24 May 2011 and the Final Progress Report dated 26 October 2011 (together the Previous Administration Reports), which are publicly available to view from Companies House.
- 3.5** According to the Previous Administration Reports, the LPA Receivers sold the Land, following which the Former Administrators discharged costs of the Original Appointment, including office-holders' fees. The balance was distributed to the Bank under its fixed charge security. Notice of move from administration to dissolution - form 2.35B was filed by the Former Administrators at Companies House on 28 October 2011, effectively bringing the Original Appointment to an end. The Company was dissolved in February 2012.
- 3.6** During the last 12 months, the Bank completed an independent review of a claim submitted by the directors in respect of an interest-rate hedging product (IRHP claim). On conclusion of the Bank's review process in February 2014, a compensation payment was awarded. As the Company was dissolved at this time the redress payment was made to the Treasury Solicitor.
- 3.7** As the former directors were aware that the IRHP claim had been paid, they submitted an application to court in order to restore the entity to the register. This application for the re-instatement was heard and approved by the court on 2 September 2014. This re-instatement would allow the Company to collect the compensation payment.
- 3.8** In order to ensure that an insolvency practitioner was in office to facilitate the distribution of the compensation payment to the Company's creditors in accordance with the distribution provisions of the Insolvency Act 1986, the Bank sought to enforce its security and appoint Administrators to the Company. On 23 October 2014, Administrators were appointed pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986.

4 The Administration strategy and objectives

- 4.1** An administrator of a company must perform their functions with a view to achieving one of the following statutory objectives:

- Objective 1: rescuing a company as a going concern;
- Objective 2: achieving a better result for a company's creditors as a whole than would be likely if a company were wound up (without first being in administration); or
- Objective 3: realising property in order to make a distribution to one or more secured or preferential creditors.

- 4.2** The first objective under an administration regime is based on the survival of the existing companies through company voluntary arrangements (CVA) or scheme of arrangements under part 26 of the Companies Act 2006. The Administrators do not consider that the first objective can be achieved in this Administration on the basis that there is no business in existence to rescue
- 4.3** As such, the Administrators are pursuing the second statutory objective for the Company, being to achieve a better result for creditors as a whole than would be likely if the Company was wound up (without first being in administration). The strategy to achieve this objective is based upon liaison with the Treasury Solicitor in order to realise the IRHP claim and distribute accordingly to the relevant classes of creditor.
- 4.4** An administration process was the preferred route to a liquidation on the basis that the appointment was completed significantly quicker than what would have been possible in a liquidation scenario. Furthermore, if the Company was placed into Compulsory Liquidation the proceeds would be subject to Insolvency Service Ad Valorem fees, which would have reduced the amount available for creditors.
- 4.5** It is proposed that the Administrators continue to manage the affairs of the Company in order to achieve the objective of the Administration

Progress since the appointment

- 4.6** Since the appointment, the Administrators have completed all statutory duties including advertising the Administration, notifying creditors and making the relevant filings at Companies House
- 4.7** Furthermore, contact has been made with the Former Administrators in order to request and obtain Company information. This has allowed the Administrators to gain a preliminary understanding of the historic financial position of the Company, as well as to comply with tax notifications

IRHP claim

- 4.8** As detailed above, the main asset to recover is the IRHP claim proceeds that were paid to the Treasury Solicitor. Based on current information the cash held is expected to be in the region of £213,000.

- 4.9 As part of the Treasury Solicitors' due diligence protocol, the Administrators have been required to submit an application for the funds. In conjunction with legal advice from the Administrators' solicitors, Eversheds LLP (Eversheds), this application has been submitted and the Administrators expect to receive the funds shortly.
- 4.10 In recovering the IRHP claim, as a Company asset subject to the floating charge, a distribution will be available to the unsecured creditors. In order to distribute the unsecured dividend to creditors, once their statutory duties have been concluded, the Administrators may place the Company into Creditors' Voluntary Liquidation (CVL). If this action is taken, it is proposed that the Administrators will become the Liquidators of the Company and in that event, any act required or authorised by the Liquidators may be done by any or all of them.
- 4.11 Creditors may nominate an alternative liquidator and further details can be found at Appendix H.
- 4.12 As an alternative to a CVL, should it be deemed appropriate, an application to court under paragraph 65 may be submitted to obtain permission to distribute in the Administration. Ordinarily, Administrators do not have the power to distribute to the unsecured creditors, however, it may be more cost effective to make an application to court as opposed to placing the Company into CVL for the same purpose. A decision in this regard will be made when the Administrators have a better understanding of the quantum and volume of the Company's unsecured creditors, to determine whether this will be a more cost-effective option.
- 4.13 If any matters come to light that require further investigation and potential action by a liquidator, but the Company cannot be placed into CVL, the Administrators will consider taking steps to place the Company into Compulsory Liquidation.
- 4.14 More information on the possible exit routes from Administration can be found at Appendix H.

5 Financial position and Administrators' receipts and payments

Financial position

5.1 A statement of the Company's affairs has been received from the directors and can be found at Appendix C.

5.2 The Administrators have the following observations to make in relation to the SofA:

- As is normal, the SofA is before provision for the costs of the Administration.
- The SofA should normally be made up to the date of the Company entering Administration, however the directors have prepared it as of 27 November 2014. Based on the information contained within the SofA and nature of Company assets and liabilities, this has no impact on the information or estimated outcome for creditors.
- The Company's only asset is the IRHP claim held by the Treasury Solicitor.
- The amount included as book value for the IRHP payment is also approximately the realisable value.
- There are no preferential creditors as the Company did not have any employees.
- The amount due to the Bank has not been included as a debt secured by a floating charge. As detailed in the demand letter received by the Company shortly before the Administration appointment, the amount due to the Bank is in the region of £6.3m.
- The amount due to the unsecured creditors by virtue of the Prescribed Part has not been included. Based on current estimates approximately £35,000 will be available.
- A number of the creditors listed in the schedule hold fixed charge security against the Company. Such secured creditors are not permitted to participate in the Prescribed Part unless they release their security.
- At this stage the unsecured creditors' liability cannot be accurately quantified as the Administrators have had no access to Company ledgers, as due to its previously dissolved status the financial information is limited. Contact information has been provided by the Former Administrators and taken from the SofA therefore all known unsecured creditors have been written to and are invited to submit claims as soon as possible.
- Please note that the Company is not registered for VAT and therefore no input VAT will be recoverable.

Administrators' Receipts and Payments Account

5.3 A summary of Receipts and Payments Account for the Period is attached at Appendix D. No receipts and payments have been recorded to date.

6 Estimated outcome for creditors

Secured creditor - Bank of Scotland plc

- 6.1 The Company granted a fixed legal charge over the Company's land site and fixed and floating charges dated 1 November 2007 over the Company's assets in favour of the Bank. At the date of appointment, the secured creditor was owed £6,289,915 (including accrued interest and charges to the date of appointment) under its security. The secured creditor will suffer a shortfall on its lending.

Preferential creditors

- 6.2 As the Company had no employees there will be no preferential creditors in the Administration.

Unsecured creditors

- 6.3 Where the Company granted a floating charge after 15 September 2003, the Administrators are required to create a fund from the Company's net property available for the benefit of the unsecured creditors (Unsecured Creditors' Fund), commonly known as the 'Prescribed Part'.
- 6.4 Based on present information, the Administrators estimate the value of the Company's net floating charge property to be £158,000. Arising from this, the value of the Unsecured Creditors' Fund is estimated to be £34,600. These values have been calculated after the provision for any costs of the Administration or the costs to distribute.

Broadway Malyan Limited, Graco Group Limited and Howard Holdings Plc

- 6.5 The directors' SoFA lists Broadway Maylan Limited as holding a second charge over the Company's property, with a debt of £67,500 outstanding. Graco Group Limited and Howard Holdings Plc are also listed as secured creditors, with charges against the Company's Land.
- 6.6 As the property was sold by the Former Administrators and there was a shortfall on the Bank's lending, who was paid in priority to the other secured chargeholders, there will be no fixed charge realisations made in this Administration. As such, there are no fixed charge funds to enable a dividend to be paid to these secured creditors. A secured creditor may however participate in the Prescribed Part dividend if their security is released.


7 What happens next

- 7.1 The Administrators think that a dividend will be available to the unsecured creditors but only by virtue of the Unsecured Creditors' Fund. In accordance with paragraph 52(1)(b) of schedule B1 of the Insolvency Act 1986, an initial meeting of the Company's creditors is therefore not being convened.
- 7.2 The Administrators are required to hold an initial creditors' meeting if 10% in value of the creditors request it. If you wish for a meeting to be held, you must notify us in writing in the prescribed form (Form 2.21B) on or before 18 December 2014. If a meeting is not requisitioned by creditors by this date the proposals will be deemed to have been approved.

Report

- 7.3 The Administrators are required to provide a progress report within one month of the end of the next six month period

For and on behalf of
Rushden Park & Lakes Development Company Limited



Ryan Grant
Administrator
Encs

Appendix A. Statutory information

Company information

Company name	Rushden Park & Lakes Development Company Limited
Registered number	4072003
Registered office	c/o Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	Alex House, 260-268 Chapel Street, Salford, Manchester, M3 5JZ
Court details	High Court of Justice, Chancery Division, Birmingham District Registry
Court reference	8415 of 2014

Appointor's information

Name	Address	Position
Bank of Scotland plc	The Mound, Edinburgh, EH1 YHZ	Floating charge holder

Details of the Company's directors and shareholders at the date of appointment are as follows

	Date appointed	Date resigned	Type and number of shares held
Directors			
Timothy Gregory Coughlan	30 June 2006	-	-
Rodney Athron Huffman	14 September 2000	-	Ordinary A, 1,000
Lord Maurice George Taylor-Windsor	14 September 2000	-	Ordinary A, 1,000
Shareholders			
Rodney Huffman	-	-	Ordinary A, 1,000
Lord Maurice George Taylor-Windsor	-	-	Ordinary A, 1,000
David Lenton	-	-	Ordinary A, 1,000
Howard Holdings Plc	-	-	Ordinary B, 3,000

Administrators' information

Name	Address	IP number	Name of authorising body
Ryan Grant	Zolfo Cooper, 35 Newhall Street, Birmingham, B3 3PU	009637	Insolvency Practitioners Association
Lee Causer	Zolfo Cooper, 35 Newhall Street, Birmingham, B3 3PU	014112	Insolvency Practitioners Association
Catherine Williamson	Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	015570	Insolvency Practitioners Association

The validity of the Bank's security and validity of the Administrators' appointment have been reviewed and confirmed by Eversheds

The EC Regulation on Insolvency Proceedings 2000 applies to the Administration. The proceedings are main proceedings as defined by article 3 of the Regulation. The Company is based in the UK.

In accordance with paragraph 100(2) of schedule B1 of the Insolvency Act 1986, all functions of the Administrators are to be exercised by any or all of the Administrators. All references to the Administrators should be read as the Joint Administrators.

Appendix B. Security granted by the Company

Chargeholder	Details	Type of charge	Date charge registered
Bank of Scotland plc	All monies due or to become due from the Company to the chargee on any account whatsoever	Debenture	1 November 2007
Bank of Scotland plc	Freehold land and buildings on and lying to the north of the A45 at Rushden Northamptonshire	Legal charge	1 November 2007
Howard Holdings plc	All monies due or to become due (not exceeding £800,000) from the Company to the chargee	Short form legal mortgage	18 November 2006
KBC Bank NV*	All monies due or to become due from the Company to the chargee (and/or the hedging counterparty) on any account whatsoever under the terms of the aforementioned instrument creating or evidencing the charge	Debenture	15 July 2006
Broadway Malyan Limited	£72,305.25 due or to become due from the Company to the chargee under a county court judgment dated 4 November 2008	Legal charge	29 October 2009
Graco Group Limited	All monies due or to become due from the Company to the chargee on any account whatsoever under the terms of the aforementioned instrument creating or evidencing the charge	Legal charge	29 October 2009

*Eversheds have confirmed that the debenture dated 15 July 2006 in favour of KBC Bank NV has been released. The deed of release is dated 19 October 2007 but the charge is still showing as unsatisfied at Companies House.

Appendix C. Directors' Statement of Affairs of the Company as at 27 November 2014

	Book Value £	Estimated to Realise £
ASSETS		
IRHP Settlement	214,464.40	<u>214,464.40</u> 214,464.40
LIABILITIES		
PREFERENTIAL CREDITORS:-		<u>NIL</u> 214,464.40
DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003		
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS		<u>NIL</u> 214,464.40
Estimated prescribed part of net property where applicable (to carry forward)		<u>NIL</u> 214,464.40
DEBTS SECURED BY FLOATING CHARGE POST 15 SEPTEMBER 2003		<u>NIL</u> 214,464.40
Estimated prescribed part of net property where applicable (brought down)		<u>NIL</u> 214,464.40
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Unsecured claims	<u>210,715.66</u>	<u>210,715.66</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		<u>3,748.74</u> 3,748.74
Issued and called up capital		
Ordinary shareholders	6,000.00	<u>6,000.00</u>
TOTAL SURPLUS/(DEFICIENCY)		<u>(2,251.26)</u>

Name	Address 1	Address 2	Address 3	Address 4	Address 5	Amount of Debt (£)	Value of Security (£)
Brebners	Tubs Hill House	London Road	Sevenoaks	Kent	TN13 1BL	7,890.30	N/A
Broadway Malvan	3 Weybridge Business Park	Weybridge	Surrey	KT15 2BW		67,468.65	67,468.65
Burgess Salmon	Narrow Quay House	Narrow Quay	Bristol	BS1 4AH		22,449.50	N/A
Campbell Reith Hill LLP	Somerset House	47-49 London Road	Redhill	Surrey	RH1 5AA	16,332.96	N/A
Colliers CRE	9 Marylebone Lane	London	W1U 1H			656.82	N/A
Companies House	Crown Way	Maundy	Cardiff	CF14 3UZ		1,500.00	N/A
David Lenton	Information omitted for data protection purposes					N/A	N/A
Genini Karts	Knights Farm	Newton Road	Rushden	Northants	NN10 0SX	1,076.40	N/A
Graco Group	Head Office	Graco House	PO Box 30	Manchester	M32 9BL	18,6041.54	N/A
Ikon	1 Great Tower St	London	EC3R 5AA			17,625.00	N/A
John Rose Associates	The Old Pump House	Middlewood Road	Poynton	Cheshire	SK12 1SH	5,291.61	N/A
Matthew Smith	Information omitted for data protection purposes					N/A	N/A
Stevens & Bolton	The Billings	Guildford	GU1 4YD			549.90	N/A
S. Toseland	Information omitted for data protection purposes					N/A	N/A
Strategic Perspectives	24 Bruton Place	London	W1 6NE			21,404.21	N/A
White Young Green	PO Box 364	Leeds	LS6 2WQ			20,583.44	N/A

Note: the above creditor listing has been provided as part of the directors' SoFA

Name	Address 1	Address 2	Address 3	Address 4	Address 5
Brebners	Tubs Hill House	London Road	Sevenoaks	Kent	TN13 1BL
Broadway Malyan	3 Weybridge Business Park	Weybridge	Surrey	KT15 2BW	
Burgess Salmon	Narrow Quay House	Narrow Quay	Bristol	BS1 4AH	
Campbell Reith Hill LLP	Somerset House	47-49 London Road	Redhill	Surrey	RH1 5AA
Colliers CRE	9 Marylebone Lane	London	W1U 1H		
Companies House	Crown Way	Maindy	Cardiff	CF14 3UZ	
David Lenton	Information omitted for data protection purposes				
Genini Karts	Knights Farm	Newton Road	Rushden	Northants	NN10 0SX
Graco Group	Head Office	Graco House	PO Box 30	Manchester	M32 9BL
Ikon	1 Great Tower St	London	EC3R 5AA		
John Rose Associates	The Old Pump House	Middlewood Road	Poynton	Cheshire	SK12 1SH
Matthew Smith	Information omitted for data protection purposes				
Stevens & Bolton	The Billings	Guildford	GU1 4YD		
S. Toseland	Information omitted for data protection purposes				
Stevens & Bolton	The Billings	Guildford	GU1 4YD		
Strategic Perspectives	24 Bruton Place	London	W1 6NE		
White Young Green	PO Box 364	Leeds	LS6 2WQ		

Note: the above creditor listing has been provided by the Former Administrators and the current Administrators are unable to verify any of the information provided

**Appendix D. Administrators' Receipts and Payments Account for
the period 23 October 2014 to 28 November 2014**

	<u>£</u>
Floating charge assets	
Receipts	
IRHP claim	-
	-
Payments	
	-
	-
Balance of floating charge assets	-
Represented by	
Interest bearing account	-
	-
	-

Appendix E. Time Analysis and details of time spent

Total time costs for the Period are £6,978. This represents 30 hours at an average rate of £236 per hour.

	Employee grade (hours)				Total hours	£	
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support		Total cost	Average rate per hour
Administration and planning							
Strategy and control	0.5	-	2.1	-	2.6	680.50	262
Statutory duties	0.2	0.8	1.1	0.4	2.5	614.00	246
Case administration	0.1	-	4.0	1.2	5.3	1,036.50	196
Accounting and treasury		-	-	0.3	0.3	33.00	110
Internal documentation		1.5	2.5	0.3	4.3	1,065.00	248
Investigations							
Director conduct reports	0.7	0.8	0.7	0.2	2.4	697.50	291
Other investigations			0.3	0.2	0.5	91.00	182
Realisation of assets - floating charge							
Asset identification and valuation	0.3		1.5		1.8	448.50	249
Recovery of assets	-		0.5		0.5	115.00	230
Asset accounting and administration	-	0.9		0.1	1.0	290.00	290
Creditors							
Creditor claims		-		0.1	0.1	11.00	110
Reporting to creditors	0.4	0.9	3.7	1.0	6.0	1,378.00	230
Secured creditors	0.6	0.4	0.2		1.2	377.00	314
Unsecured creditors		0.1	-	1.0	1.1	141.00	128
Totals	2.8	8.4	16.4	4.8	29.6	6,978.00	236

Principal areas of activity during the period are discussed in further detail below.

- Administration and planning - formulating and implementing the initial case strategy, complying with statutory duties and performing general administrative work. Case related treasury and support time is also recorded here.
- Investigations - conducting preliminary investigations into the directors' conduct together with the Company's dealings prior to the appointment of the Administrators. This time includes issuing the directors with SofA requests, reviewing the SofA on receipt and issuing director questionnaires.
- Realisation of assets' floating charge - communicating with Eversheds to understand the requirements as part of the Treasury Solicitor application in order to recover the IRHP claim.
- Creditors - notifying creditors of the appointment and preparing statutory reports. Time has also been spent communicating with the secured creditor and liaison with the Former Administrators to obtain Company information.

Appendix F. Administrators' fees and pre-appointment costs

Administrators' fees

The basis of the Administrators' fees may be fixed on one or more of the following bases, and different bases may be fixed for different duties performed by the Administrators:

- a percentage of the value of the assets with which they have to deal;
- by reference to time properly spent by them and their staff dealing with matters arising in the Administration; or
- as a set amount.

On this assignment it is proposed that the basis of the Administrators' fees shall be fixed by reference to the time properly spent by the Administrators and their staff on matters arising in the Administration.

If a creditors' meeting is convened or requisitioned, and creditors resolve to establish a committee, it shall as part of the committee's duties to determine the basis or bases of the Administrators' fees and authorise their disbursements.

Subject to the approval of the relevant creditors, it is proposed that the Administrators will draw fees when funds are available.

Pre-appointment costs

There are no pre-appointment costs.

Appendix G. Additional information in relation to the Administrators' fees pursuant to Statement of Insolvency Practice 9

Policy

Detailed below is Zolfo Cooper's policy in relation to:

- staff allocation and the use of sub contractors,
- professional advisors; and
- disbursements.

Staff allocation and the use of sub contractors

The Administrators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The case team will usually consist of a partner, an associate director or senior associate, an associate and an analyst. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Administrators' charge-out rate schedule overleaf provides details of all grades of staff.

With regard to support staff, the Administrators advise that time spent by their treasury department in relation to specific tasks on an assignment is charged. The Administrators only seek to charge and recover secretarial time if a large block of time is incurred, eg report compilation and distribution.

The Administrators have not utilised the services of any sub contractors in this case.

Professional advisors

On this assignment the Administrators have used the professional advisors listed below. The Administrators have also indicated the basis of their fee arrangement with them, which is subject to review on a regular basis.

Name of professional advisor	Basis of fee arrangement
Eversheds LLP (legal advice)	Hourly rate and disbursements

The Administrators' choice was based on their perception of the professional advisor's experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of their fee arrangement with them.

Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel, external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by the Administrators and their staff.

Approval for Category 2 disbursements will be sought as specified in section 1 of this report and may include:

- photocopying - charged at the rate of 10 pence per sheet for notifications and reports to creditors and other copying,
- printing - charged at the rate of 10 pence per sheet for black and white printing and 15 pence per sheet for colour;
- business mileage for staff travel - charged at the rate of 45 pence per mile.

Charge-out rates

A schedule of Zolfo Cooper LLP's charge-out rates for this assignment effective from 1 April 2014 is detailed below. Time is charged by partners and case staff in units of six minutes.

Description	Rates from 1 April 2014 £
Partner 1	445
Partner 2	415
Director	390
Associate director	340
Senior associate	280
Associate	250
Analyst	220
Junior analyst	150
Senior treasury associate	170
Treasury associate	110
Treasury analyst	85
Support	79

Appendix H. Exit routes and discharge from liability

Creditors' voluntary liquidation

An administrator does not have the power to make a distribution to unsecured creditors without consent of the court. Based on present information, the Administrators think a dividend will be paid to the unsecured creditors. In this situation, the Administrators will file a notice with the Registrar, which will have the effect of bringing the appointment of the Administrators to an end and will move the Company automatically into CVL.

Creditors have the right to nominate an alternative liquidator of their choice. To do this, creditors must make their nomination in writing to the Administrators prior to these proposals being approved. Where this occurs, the Administrators will advise creditors and provide the opportunity to vote. In the absence of a nomination, the Administrators will automatically become the Liquidators in the subsequent CVL, and the basis or bases of their fees approved by creditors in the Administration will also apply to the CVL.

Alternatively, if considered appropriate, usually due to the fact this will be more cost-effective, the Administrators may submit an application to court under paragraph 65 for approval to make a distribution to unsecured creditors in the Administration rather than move the Company into CVL. If granted, the Company may proceed to dissolution after the distribution has been made.

Compulsory liquidation

A liquidator of a company has greater powers to investigate, and if required, take action on behalf of a company to recover funds for the benefit of creditors, if, prior to its insolvency, transactions had been entered into by a company without commercial justification and which diminished its net assets. If the Administrators become aware of transactions requiring further investigation and potential action by a liquidator, but it is not possible or appropriate to place the Company into CVL, they may make an application to court to end the Administration and request that the court places the Company into Compulsory Liquidation. The Administrators will send notice of any such application to the Company and its creditors.

Dissolution

If the Administrators think that, after any potential distribution in the Administration, the Company has no property which might permit a distribution to its unsecured creditors, they will file a notice together with their final progress report at court and with the Registrar of Companies for the dissolution of the Company. The Administrators will send copies of these documents to the Company and its creditors. The Administration will end following the registration of the notice by the Registrar of Companies.

Discharge from liability

Subject to the approval of the relevant creditors, it is proposed that the Administrators will be discharged from liability under paragraph 98 of schedule B1 to the Insolvency Act 1986 directly after their appointment as Administrators ceases to have effect.