

The Insolvency Act 1986

Administrator's progress report

Name of Company

Arcadia Facades Limited

Company number

04378168

In the

High Court of Justice

(full name of court)

Court case number

5283 of 2016

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

I/We (a)

Rob Keyes

KRE Corporate Recovery LLP

1st Floor, Hedrich House

14-16 Cross Street

Reading

Berkshire

RG1 1SN

Paul Ellison

KRE Corporate Recovery LLP

1st Floor, Hedrich House

14-16 Cross Street

Reading

Berkshire

RG1 1SN

Administrators of the above Company attach a progress report for the period

From

To

(b) Insert date

(b) 2 September 2016

(b) 1 March 2017

Signed


Joint Administrator

Dated

31/3/17

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

Rob Keyes
KRE Corporate Recovery LLP
1st Floor, Hedrich House
14-16 Cross Street
Reading
Berkshire
RG1 1SN

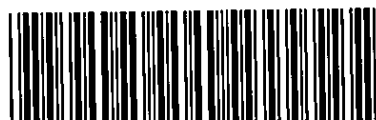
DX Number

0118 947 9090
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

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COMPANIES HOUSE

Arcadia Facades Limited ('Arcadia')

**Joint Administrators' First Progress Report to Creditors
For the period 2 September 2016 to 1 March 2017**

Issued on: 31 March 2017

ARCADIA FACADES LIMITED ("ARCADIA") – IN ADMINISTRATION

JOINT ADMINISTRATORS' FIRST PROGRESS REPORT TO CREDITORS FOR THE PERIOD 2 SEPTEMBER 2016 TO 1 MARCH 2017

Statutory Information relating to Arcadia can be found at Appendix I.

Joint Administrators' actions since appointment

Creditors will recall that I was appointed Joint Administrator of Facades on 2 September 2016. The circumstances surrounding my appointment are detailed in the initial report to creditors dated 26 October 2016.

Since I was appointed Joint Administrator I have:

- Worked alongside my valuation agents, Richard Birch & Co, to realise the chattel assets of Arcadia, which includes a sale of the plant, machinery and unencumbered stock Unit 9 in Andover;
- Marketing of the business for sale and responding to the enquiries received;
- Assisted Ricard Birch & Co in dealing with Retention-of-Title claims from trade creditors;
- Dealt with requests from lease and hire companies to collect their assets and co-ordinated collection with Richard Birch & Co;
- Reviewed the position with the Groups' lease car fleet, check valuations with Richard Birch & Co, advise various lease providers to collect their vehicles.
- Dealt with redundancies and associated claims for salary, holiday, pay-in-lieu of notice and redundancy claims from the Groups' approximate 165 employees through the National Insurance Fund. In the early stages of this assignment there was a significant volume of queries to deal with due to the inaccuracy of Arcadia records;
- Dealt with a high volume of correspondence by telephone, post and email from the Groups' unsecured creditors which included dealing with general queries, lodging claims and resolving confirmation of debt issues relating to claims against their credit insurance.

As previously outlined, the Groups' Board had taken the decision to cease trading prior to my appointment as Administrator. Nothing has come to light in the intervening period to challenge the validity of this decision and there were still not sufficient funds to facilitate a trading period in any instance. Therefore, following appointment, the decision was also taken to make the Groups' approximately 165 employees redundant with immediate effect.

There is certain work that I am required by the insolvency legislation to undertake work in connection with the Administration that provides no financial benefit for the creditors. A description of the routine work undertaken since my appointment as Administrator:

1. Administration

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case;
- Setting up electronic case files;
- Setting up the case on the practice's electronic case management system and entering data;

- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment;
- Obtaining a specific penalty bond;
- Convening and holding a meeting of creditors to consider the Administrators' proposals (as applicable);
- Dealing with all routine correspondence and emails relating to the case;
- Opening, maintaining and managing the office holder's estate bank account;
- Creating, maintaining and managing the office holder's cashbook;
- Undertaking regular bank reconciliations of the bank account containing estate funds;
- Reviewing the adequacy of the specific penalty bond on a quarterly basis;
- Undertaking periodic reviews of the progress of the case;
- Overseeing and controlling the work done on the case by case administrators;
- Preparing, reviewing and issuing progress reports to creditors and members;
- Filing returns at Companies House;
- Preparing and filing VAT returns;
- Preparing and filing Corporation Tax returns.

2. Creditors

- Obtaining information from the case records about employee claims;
- Completing documentation for submission to the Redundancy Payments Office;
- Corresponding with employees regarding their claims;
- Liaising with the Redundancy Payments Office regarding employee claims;
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims;
- Maintaining up to date creditor information on the case management system.

3. Investigations

- Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act.

Receipts & Payments Account

My Receipts & Payments Account for the period from 2 September 2016 to 1 March 2017 is attached at Appendix II.

The balance of funds is held in an interest bearing estate bank account.

Assets

Property

The Group occupied office buildings in Romsey, Hampshire, along with three factory units in Andover, Hampshire with a value in Arcadia's latest management accounts of £44,802. These were all on a leasehold basis and our valuation agents, Richard Birch & Co, have confirmed that there is no value in the remaining lease term nor are there any realisations available from any leasehold improvements completed by Arcadia. This was in line with the Statement of Affairs included with our proposals.

I understand that the Group had opened, or were in the process of opening, further offices in London, Wales and Scotland. Enquiries into these offices have been ongoing and I have determined that these offices were based in serviced premises with no realisable value attached to them.

Plant & Machinery

Arcadia's latest management accounts had a value of £23,377 attributed to plant & machinery which related to items held at factory units in Andover.

As detailed previously in this report, a sale of the plant & machinery, along with unencumbered stock, previously held in Unit 4 and 9 in Andover has been completed and the purchaser was SLS Metalworks Limited, a Company of which Mr Lee Smith and Mr Dorian Lawrence are directors along with Mr Gary Summers. An amount of £30,000 was attributable to Arcadia in respect of the realisations of £50,000 collected to date.

No further realisations are anticipated in this respect.

Fixtures & Fittings

Arcadia's latest management accounts had a value of £13,388 attributed to fixtures and fittings which are mainly attributed to the items held within Unit 9 in Andover, Hampshire. These items were incorporated in the sale to SLS Metalworks Limited detailed above.

Stock

Arcadia's latest management accounts had a value of £104,940 attributed to stock but, unsurprisingly, we were faced with a significant number of claims under Retention-of-Title relating to the existing stock belong of Arcadia. Unencumbered stock items were incorporated in the sale to SLS Metalworks Limited detailed above with relevant clauses and schedules including protecting that stock still held under a valid Retention-of-Title claim.

Book Debts

Arcadia's latest management accounts show a value of £79,939 attributable to the debtor ledger however this solely relates to Group inter-Company debts and, as a result, it is unlikely that they be anything other than nominal realisations from this which will come solely from any prescribed part dividend (if any) available from LSC Facades Limited.

Other Matters

Arcadia operated a pension scheme for its former employees and therefore I engaged Clumber Consultancy Limited ("Clumber") to produce a report detailing the steps I needed to take in order for Facades to meet its statutory obligations.

It was subsequently identified that the majority of staff has claims for pension arrears and therefore I instructed Clumber to make claims on their behalf from the National Insurance Fund.

Liabilities & Dividend Prospects

Secured Creditors

An examination of Arcadia's mortgage register held by the Registrar of Companies, showed that Arcadia gave a fixed and floating charge to National Westminster Bank Plc ("Natwest") on 12 August 2011. Natwest have confirmed that there were no funds outstanding to them as at the date of our appointment and, as I will not have to pay them any money under their floating charge, and the prescribed part provisions will not apply.

Preferential Creditors

The statement of affairs anticipated £25,000 in preferential creditors from the former employees of Arcadia (alongside the National Insurance Fund as a subrogated creditor).

Although the majority of Arcadia's employees have submitted their claim, I have yet to receive an interim or final claim from the National Insurance Fund although I would expect this to be forthcoming shortly. Employees may have balancing claims for arrears of salary and unpaid holiday.

I anticipate that there will be a nominal distribution to the preferential creditors of Arcadia.

Crown Creditors

The Statement of Affairs included £63,336 owed to HM Revenue & Customs.

No interim or final claims have yet been submitted by HMRC due to a number of ongoing enquiries.

Unsecured Creditors

The Statement of Affairs included 40 non-preferential unsecured creditors with an estimated total liability of £960,966.

I have received claims from 18 creditors at a total of £217,225. I have not received claims from 23 creditors with original estimated claims in the statement of affairs of £710,892. In addition, there will be balancing claims from some former employees for salary arrears and pay-in-lieu-of-notice due to them.

Investigation into the affairs of Arcadia

I undertook an initial investigation into Arcadia's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. In particular, I recovered, listed and reviewed Arcadia's accounting records; obtained and reviewed copy bank statements for the 12 months prior to Arcadia ceasing to trade from Arcadia's bankers; and compared the information in Arcadia's last set of accounts with that contained in the statement of affairs lodged in the Administration and made enquiries about the reasons for the changes.

There were no matters that justified further investigation in the circumstances of this appointment.

Within six months of my appointment as Administrator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of Arcadia. I would confirm that my report has been submitted.

Pre-Administration Costs

On 19 December 2016 the following pre-appointment costs were approved by the preferential creditors:

| | |
|-------------------------------|--------|
| Pre-appointment fees charged: | £7,500 |
|-------------------------------|--------|

| | |
|------------------------------------|--------|
| Pre-appointment expenses incurred: | £1,943 |
|------------------------------------|--------|

No pre-appointment fees have yet been charged and will be paid in due course from realisations made. My pre-appointment expenses have been paid in full, as detailed in the attached receipts and payments account.

Joint Administrators' Remuneration

My remuneration was previously authorised by the preferential creditors on 19 December 2016. My remuneration was authorised on a time cost basis based on a fees estimate of £33,114. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval further approval from the secured and preferential creditors.

My time costs to 1 March 2017 amount to £26,560, representing 85.5 of hours work at an average charge out rate of £310.64 per hour. The actual average charge out rate incurred compares with the estimated average charge out rate of £256.30 in my fees estimate. I have not drawn any fees to 1 March 2017.

A detailed schedule of my time costs incurred to date compared with my original fees estimate is attached as Appendix 2.

As at 1 March 2017, I do not anticipate that the total time costs I will incur in this matter in respect of the categories of work for which I am being remunerated on a time cost basis will exceed the total estimated remuneration I set out in my fees estimate when my remuneration was authorised by the secured and preferential creditors. I only anticipate having to obtain approval for a further increase in my fees estimate if I am required to undertake additional work that I am currently unaware will be required.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Administrators' Fees' also published by R3, together with an explanatory note which shows KRE Corporate Recovery LLP's fee policy are available at the link <http://www.krecr.co.uk/creditors>. Please note that there are different versions of the Guidance Notes and in this case you should refer to the October 2015 version.

Joint Administrators' Expenses

I have incurred total expenses of £19,326 since my appointment as Administrator. I have drawn £13,783 to 1 March 2017.

I have incurred the following expenses in the period since my appointment:

| Type of Expense | Amount incurred/accrued in the reporting period (£) |
|----------------------------|---|
| Rent | 5,000 |
| Valuation & Chattel Agents | 3,600 |
| Specific Bond | 272 |
| Pension Agent | 1,000 |
| Legal Fees | 5,182 |
| Website Fees | 14 |
| Stationary & Postage | 150 |
| Utilities | 110 |
| Staff Consultancy | 3,998 |
| Total | £18,077 |

I have not incurred any Category 2 disbursements in the period since my appointment and I have not drawn any Category 2 disbursements to date.

I have used the following agents or professional advisors in the reporting period:

| Professional Advisor | Nature of Work | Basis of Fees |
|-----------------------------|-----------------------|----------------------------|
| Richard Birch & Co | Valuer & Auctioneer | Percentage of realisations |
| Boyes Turner LLP | Solicitors | Time-costs |
| Clumber Consultancy Ltd | Pension Agent | Fixed-fee |

The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I have reviewed the fees charged and am satisfied that they are reasonable in the circumstances of this case.

Richard Birch & Co were engaged to value and realise the chattel assets of the Group and assist with ROT claims in the matter. These involved complex negotiations with a number of various parties and included significant periods attending the various units in Andover.

Boyes Turner LLP were engaged to prepare an asset-only sale and purchase agreement for the items predominantly held within Unit 9 in Andover, Hampshire. Boyes Turner LLP have also provided advice on a number of the more complex ROT claims.

Clumber were engaged in relation to the Groups' pension scheme and have advised on the steps necessary to ensure that Arcadia meets its statutory responsibilities and to assist in completing claims on behalf of the employees' for pension arrears via the National Insurance Fund.

In respect to other significant expenses, following our appointment, a number of staff were retained to assist on various matters which included, but are not limited to, the following:

- Providing assistance to Richard Birch & Co in respect of asset realisations and ROT visits/claim in the Andover premises;
- Aiding Leslie Keats in understanding and interpreting the Groups' debtor ledger to maximise debtor realisations;
- Assisting former employees by providing the relevant employment details for their claim against the National Insurance Fund alongside final P45 and references;
- Helping with the Administrators' statutory reporting and compliance, including producing the latest management accounts and making the Groups' books and records available for collection.

Finally, after a period of negotiation, an agreement for rent payable was reached with the landlord at Unit 7 in Andover which also resulted in the informal surrender of the lease premises, thereby reducing the future exposure of the insolvent estate to further costs.

Further Information

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Administrator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Administrator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about KRE Corporate Recovery LLP can be found at <http://www.krecr.co.uk/creditors>.

Summary

The Administration will remain open until the following matters have been finalised:

- Settle the outstanding liabilities and investigate as to whether any further realisations are achievable into the insolvent estate;
- Make a distribution to the preferential creditors of Arcadia and, if relevant, the secured creditor (with any Prescribed Part, if applicable).

Once these matters have been finalised, I anticipate that the Administration will cease and my files will be closed.

If creditors have any queries regarding the conduct of the Administration, or if they want hard copies of any of the documents made available on-line, they should contact Ben Briscoe by telephone on 0118 997 7358 or by email at ben.briscoe@krecr.co.uk.



Rob Keyes

Joint Administrator

The Joint Administrators are agents of Arcadia and act without personal liability.

APPENDIX I - STATUTORY INFORMATION

| | |
|--------------------------------------|---|
| Company name: | Arcadia Facades Limited |
| Company number: | 04378168 |
| Date of incorporation: | 20/02/2002 |
| Trading address: | Abbey House, Premier Way, Romsey, Hampshire, SO51 9AQ |
| Registered office: | c/o KRE Corporate Recovery LLP, 1st Floor, Hedrich House, 14-16 Cross Street, Reading, RG1 1SN |
| Former registered office: | Abbey House, Premier Way, Romsey, Hampshire, SO51 9AQ |
| Principal trading activity: | Specialist cladding & facades firm |
| Joint Administrators' names | Rob Keyes & Paul Ellison |
| Joint Administrators' address | c/o KRE Corporate Recovery LLP, 1st Floor, Hedrich House, 14-16 Cross Street, Reading, RG1 1SN |
| Date of appointment | 2 September 2016 |
| Court name and reference | 5283 of 2016 |
| Appointment made by: | High Court of Justice |
| Actions of Administrators | Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone. |

Arcadia Facades Limited
(In Administration)

Joint Administrators' Summary of Receipts and Payments
To 01 March 2017

| RECEIPTS | Statement of Affairs (£) | Total (£) |
|---------------------------------------|-------------------------------------|------------------|
| Plant, Machinery & Unencumbered Stock | 30,000.00 | 30,000.00 |
| Bank Interest Gross of Tax | | 920.17 |
| | | <hr/> |
| | | 30,920.17 |
| | | <hr/> |
| PAYMENTS | | |
| Chargeholder (1) | (300,000.00) | 0.00 |
| Specific Bond | | 272.00 |
| Pension Agent | | 1,000.00 |
| Legal Fees (1) | | 3,239.00 |
| Website Fees | | 14.00 |
| Stationery & Postage | | 150.20 |
| Utilities | | 110.00 |
| Rents Payable | | 5,000.00 |
| Consultancy | | 3,998.00 |
| Employee Arrears/Hol Pay | (25,000.00) | 0.00 |
| Trade & Expense Creditors | (960,966.00) | 0.00 |
| HM Revenue & Customs - VAT | (44,728.52) | 0.00 |
| HM Revenue & Customs - PAYE | (18,607.00) | 0.00 |
| Ordinary Shareholders | (1,000.00) | 0.00 |
| | | <hr/> |
| | | 13,783.20 |
| | | <hr/> |
| Net Receipts/(Payments) | | 17,136.97 |
| | | <hr/> |

MADE UP AS FOLLOWS

| | |
|----------------------------|-----------|
| Bank 1 Current | 16,934.31 |
| VAT Receivable / (Payable) | 202.66 |
| | <hr/> |
| | 17,136.97 |
| | <hr/> |



Rob Keyes
Joint Administrator

Time Entry - SIP9 Time & Cost Summary

ARCAD - Arcadia Facades Limited
 Project Code: POST
 From: 02/09/2016 To: 01/03/2017

| Classification of Work Function | Partner | Manager | Other Senior Professionals | Assistants & Support Staff | Total Hours | Time Cost (£) | Average Hourly Rate (£) |
|------------------------------------|--------------|-------------|----------------------------|----------------------------|--------------|------------------|-------------------------|
| Admin & Planning | 0.00 | 0.00 | 4.10 | 0.00 | 4.10 | 984.00 | 240.00 |
| Case Specific Matters | 15.00 | 0.00 | 0.00 | 0.00 | 15.00 | 5,700.00 | 380.00 |
| Creditors | 4.00 | 0.50 | 21.30 | 0.00 | 25.80 | 6,772.00 | 262.48 |
| Investigations | 0.00 | 0.00 | 4.20 | 0.00 | 4.20 | 1,008.00 | 240.00 |
| Marketing | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Non Chargeable | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Realisation of Assets | 24.00 | 0.00 | 12.40 | 0.00 | 36.40 | 12,096.00 | 332.31 |
| Trading | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Hours | 43.00 | 0.50 | 42.00 | 0.00 | 85.50 | 28,660.00 | 310.64 |
| Total Fees Claimed | | | | | | 0.00 | |
| Total Disbursements Claimed | | | | | | 0.00 | |

Disbursements

We can confirm that to date, the following disbursements have been incurred or paid in this matter;

| Disbursements | This period | |
|----------------------|--------------------|--------------|
| | Incurred | Paid |
| | £ | £ |
| <i>Category 1</i> | | |
| Rent | 5,000 | 5,000 |
| Specific Bond | 272 | 272 |
| Website Fees | 14 | 14 |
| Stationary & Postage | 150 | 150 |
| Utilities | 110 | 110 |
| Staff Consultancy | 3,998 | 3,998 |
| Total | 9,544 | 9,544 |

The above costs exclude VAT

Professional advisors & expenses

The Joint Administrators have incurred expenses in connection with the instruction of the following parties;

| Name & Activity | This period | |
|---|--------------------|--------------|
| | Incurred | Paid |
| | £ | £ |
| Richard Birch & Co (Valuation & Chattel Agents) | 3,600 | - |
| Boyes Turner LLP (Solicitors) | 5,182 | 3,239 |
| Clumber Consultancy Ltd (Pension Agent) | 1,000 | 1,000 |
| Total | 9,782 | 4,239 |

The above costs exclude VAT.

PRACTICE FEE RECOVERY POLICY FOR KRE CORPORATE RECOVERY LLP

Introduction

The insolvency legislation was changed in April 2010 for insolvency appointments commenced from that time in order to allow more flexibility on how an office holder's fees are charged to a case. This sheet explains how we may apply the alternative fee bases. The new legislation allows different fee bases to be used for different tasks within the same appointment. The basis or combination of bases set for a particular appointment are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the court. Further detail about how an office holder's fees are approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <http://www.r3.org.uk/index.cfm?page=1210>. Alternatively a hard copy may be requested from KRE Corporate Recovery LLP, 1st Floor, Hedrich House, 14-16 Cross Street, Reading, RG1 1SN.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn and time costs incurred and will also enable the recipients to see the average rates of such costs. Under the new legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under the old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

Time-cost basis

This is the basis that we use in the majority of cases and we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

Charge-out Rates

| Grade of staff | Current charge-out rate per hour, effective from 1 April 2015 (£) | Current charge-out rate per hour, effective from 1 January 2014 (£) |
|--|--|--|
| Partner – appointment taker | 380 | 365 |
| Manager and Senior Manager | 280 | 260 |
| Case Administrator and Assistant Manager | 240 | 210 |
| Support Staff | 80 | 65 |

These charge-out rates charged are reviewed annually 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. Each unit of time is 6 minutes. The work is recorded under the following categories:

- Administration and Planning;
- Investigations;
- Realisation of Assets;
- Employee matters;
- Creditors;
- Trading.

Percentage basis

The new legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal. Different percentages can be used for different assets or types of assets. Where we would like to realise any asset or type of assets on a percentage basis we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

Fixed-fee

The new legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. Where we would like to charge a set amount for a task or different set amounts for different tasks we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

All bases

The officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes:

- Solicitors/Legal Advisors;
- Auctioneers/Valuers;
- Accountants;
- Quantity Surveyors;
- Estate Agents;
- Other Specialist Advisors.

Disbursements

In accordance with Statement of Insolvency Practice 9 (SIP9) the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or KRE Corporate Recovery LLP in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of Category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

It is proposed that the following Category 2 disbursements are recovered:

| | |
|--------------|--------------------------------------|
| Mileage | 45p per mile |
| Storage | £50 per box for the life of the case |
| Photocopying | 5p per sheet |
| Postage | 50p per small envelope |
| Postage | 70p per large envelope |