

AM10

Notice of administrator's progress report



Companies House

WEDNESDAY



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07/06/2017

#291

COMPANIES HOUSE

1 Company details

Company number 0 4 6 3 6 9 2 8

Company name in full Ashton Consulting (UK) Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Nicholas

Surname O'Reilly

3 Administrator's address

Building name/number 88 Wood Street

Street London

Post town EC2V 7QF

County/Region

Postcode

Country

4 Administrator's name ①

Full forename(s) Simon

Surname Thomas

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 88 Wood Street

Street London

Post town EC2V 7QF

County/Region

Postcode

Country

② Other administrator
Use this section to tell us about
another administrator.

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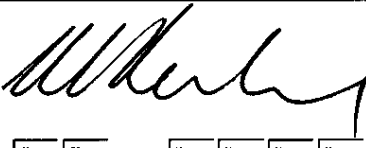
6 Period of progress report

From date	^d 2 ^d 5	^m 1 ^m 1	^y 2 ^y 0 ^y 1 ^y 6	
To date	^d 2 ^d 4	^m 0 ^m 5	^y 2 ^y 0 ^y 1 ^y 7	

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's signature	<div>Signature</div> <div>X  X</div>			
Signature date	^d 0 ^d 6	^m 0 ^m 6	^y 2 ^y 0 ^y 1 ^y 7	

AM10

Notice of administrator's progress report



Presenter information

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

Contact name	Steven Sartin
Company name	Moorfields
Address	88 Wood Street
	London
Post town	EC2V 7QF
County/Region	
Postcode	
Country	
DX	
Telephone	0207 186 1144



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

**Ashton Consulting (UK) Limited – In Administration
Joint Administrators' Third Progress Report**

Ashton Consulting (UK) Limited (In Administration)

Joint Administrators' Third Progress Report

in accordance with

Rule 18.6 of the Insolvency Rules 2016

6 June 2017

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Disclaimer:

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

Ashton Consulting (UK) Limited – In Administration (“the Company”)

1. Background and Statutory Information

This is the Joint Administrators' third progress report on the conduct of the Administration from 25 November 2016 to 24 May 2017, in accordance with the requirements of Rule 18.6 of the Insolvency Rules 2016 (“the Rules”).

This report should be read in conjunction with the Joint Administrators' Statement of Proposals (“the Proposals”) circulated to all known creditors on 20 January 2016 and the Joint Administrators' 6-month progress reports dated 5 July 2016 and 24 November 2016. There has been no major deviation from the strategy as proposed.

The Company entered administration on 17 December 2015 and Nicholas O'Reilly and Simon Thomas, both Licensed Insolvency Practitioners of Moorfields Advisory Limited (“Moorfields”), 88 Wood Street, London EC2V 7QF, were appointed to act as Joint Administrators (“the Administrators”).

To date fees of £110,672.23 have been drawn in respect of the Administration. Further information regarding fees is given in section 4.

Based on current information, it is unlikely that there will be a distribution to the unsecured creditors by virtue of the Prescribed Part or otherwise.

The Administration has been extended until 16 December 2017 with the consent of the Company's secured creditor, Aldermore Bank PLC.

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

2. Progress of the Administration

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

The Joint Administrators' receipts and payments account for the period 25 November 2016 to 24 May 2017 is attached at Appendix II, together with a cumulative Receipts and Payments Account for the period from 17 December 2015.

It should be noted that the director has failed to submit a statement of affairs and therefore Statement of Affairs values are not included.

I would comment specifically as follows on events during this reporting period:

2.1 Realisation of assets

2.1.1 *Goodwill*

As detailed in the Proposals and the last progress report, as part of the sale of the Company's business and assets to Ashton Consulting Group Limited (“ACGL”), an

amount of £70,000 was allocated to the Company's goodwill. The balance of the goodwill payment was deferred and was due to be paid as follows:

- £17,500 – 1 October 2016
- £17,500 – 1 April 2017
- £17,500 – 1 July 2017

Creditors will recall that the Joint Administrators held a formal meeting with Owen O'Neill, a director of the Company and ACGL on 7 June 2016 to discuss the outstanding sums due. It was subsequently agreed that £1,000 would be paid by way of a weekly contribution until all current liabilities were extinguished, inclusive of the licence fee and work in progress ("WIP") payment.

All monies owed in relation to the licence fees and WIP were paid in full in the prior reporting periods.

Due to ACGL's ongoing cash flow difficulties, the £1,000 weekly instalments ceased in February 2017.

On 8 May 2017 ACGL entered Creditors' Voluntary Liquidation (CVL). Although ACGL had ceased to trade prior to its liquidation, a connected company, Fishtank Group Limited is negotiating with the liquidator or ACGL to acquire its remaining assets, including goodwill.

Creditors will recall that the Company had been granted a debenture over the assets and undertaking of ACGL as security for the deferred sale consideration, whilst Bibby Financial Services had also been granted security over the assets of ACGL with priority in respect of book debts.

According to the statement of affairs prepared in respect of the liquidation of ACGL, Bibby Financial Services will suffer a shortfall in respect of its security over book debts. The Company has a first fixed charge over the goodwill of ACGL and we have been advised that Fishtank Group Limited is prepared to pay £3,000 in respect of the goodwill, which will be remitted to the Administrators in exchange for the release of the security. No further realisations are expected under the floating charge granted to the Company after the costs of the liquidation.

To date the Administrators have received £31,706.45 in relation to Goodwill, of which £8,000 was received during this reporting period. Provided that Fishtank Group Limited proceeds with its purchase of the assets of ACGL, then a further final realisation of £3,000 will be received in respect of goodwill.

2.2 Assets Still to be Realised

2.2.1 *Goodwill*

Although the contractual balance outstanding in relation to the deferred goodwill element of the sale is £38,293.55, as explained above, we are now only expecting to realise a further £3,000 under the security granted to the Company by ACGL.

2.2.3 Inter-Company Debt

The sum of £268,166 was included in the Company's management accounts as being due from associated company Paddywhack Property Limited. The Administrators are also Joint Administrators of Paddywhack Property Limited and based upon information currently available, it is not possible to determine whether there will be funds available to the unsecured creditors of this company and it has therefore been assumed that the inter-company debt is unlikely to be collected.

2.2.4 Director's Loan Account

The Company's management accounts as at 30 November 2015 reflected an overdrawn balance of £671,789 in respect of the director's loan account. The Administrators are currently liaising with their solicitors with regard to commencing recovery action.

2.3 Sale of assets to a connected party

In accordance with Statement of Insolvency Practice ("SIP") 13, the Administrators detailed the transaction with ACGL in the previous progress reports.

2.4 Joint Administrators' Expenses

The expenses paid by the Administrators in the period of this report are reflected in the receipts and payments account at Appendix II. For details of expenses incurred but not yet paid, please see section 5.

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

2.5 Professional Advisers

The Joint Administrators have used the professional advisers listed below:

**Ashton Consulting (UK) Limited – In Administration
Joint Administrators' Third Progress Report**

Name of Adviser	Brief description of services provided	Basis of fee arrangement	Costs incurred to date £	Costs paid to date £	Amount unpaid £
Safe Outsourcing Limited	Logging timesheets, processing invoices and providing information to assist with the collection of the book debts	Time costs	9,770.74	9,770.74	Nil
Hilco Valuation Services	Valuation of office furniture and equipment	Set Fee	1,728.00	1,728.00	Nil
Shoosmiths LLP	Drafting and executing the business sale agreement	Time costs	12,897.00	12,897.00	Nil

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

3. Pre-Administration Costs

As detailed in the Joint Administrators' Proposals, the pre-appointment time costs incurred by Moorfields totalled £15,635.50. The Administrators do not intend drawing fees in relation to pre-appointment time costs and they will be written off.

Legal fees in the sum of £6,929.50 were incurred by Shoosmiths LLP for advice in relation to the appointment of the Administrators and for drafting the appointment documents. These fees will be agreed and paid by Aldermore Bank PLC.

4. Joint Administrators' Remuneration

The statutory provisions relating to remuneration are set out in Rule 18.16 of the Rules. 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/>. Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at www.insolvency-practitioners.org.uk. There are different versions of these Guidance Notes, and in this case please refer to the April 2017 version. Please note that we have also provided further details in the practice fee recovery sheet.

In accordance with the Proposals, and pursuant to Rule 18.18 of the Rules, approval for remuneration was sought from the secured creditor, Aldermore Bank PLC. The secured creditor approved the following resolutions:

- That the Joint Administrators' remuneration should be agreed on a time costs basis;
- That the Joint Administrators be approved to draw expenses and Category 2 disbursements; and
- That once the Administration is complete, and the final report issued, the Joint Administrators be discharged from liability.

Attached at Appendix III is a SIP 9 time and cost analysis which provides details of the activity costs incurred by staff grade by reference to time properly spent by the Joint Administrators in managing the Administration during this period. Time costs for the period from 25 November 2016 to 24 May 2017 are £9,656.55. This represents 31.08 hours at an average hourly rate of £310.70.

Also attached at Appendix III is a cumulative time analysis for the period from 17 December 2015 to 24 May 2017 which provides details of time costs for the entire administration since appointment. Total time costs are £170,346.93. This represents 570.74 hours at an average hourly rate of £298.47.

To date, £110,672.23 has been drawn in respect of these time costs, all of which have been drawn during this reporting period.

Creditors will recall that the revised fee estimate, as reported in the first progress report dated 5 July 2016, was £181,483.50. The Administrators have not drawn fees in excess of this estimate.

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

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

5. Joint Administrators' Disbursements

In accordance with SIP 9, where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.

5.1 Category 1 Disbursements

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

Such disbursements can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with Statement of Insolvency Practice No. 9, it is the Administrators' policy to disclose Category 1

disbursements drawn but not to seek approval for their payment. The Administrators are prepared to provide such additional information as may reasonably be required to support the disbursements drawn.

The following Category 1 disbursements have been incurred to date:

Disbursement	Incurred in prior period	Incurred in this period	Total
Bordereau	30.00	0.00	30.00
Travel	435.60	0.00	435.60
Conference Calls	62.32	8.02	70.34
Subsidies	10.26	0.00	10.26
Car Park	7.40	0.00	7.40
Insurance (Marsh)	219.00	0.00	219.00
Postage	97.98	0.00	97.98
Total	862.56	8.02	870.58

Of these amounts, £817.16 has been drawn, of which £66.82 was during this reporting period, therefore £53.42 is still outstanding.

5.2 Category 2 Disbursements

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

The following Category 2 disbursements are currently charged by this firm:

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

The following Category 2 disbursements have been incurred to date:

Disbursement	Incurred in prior period	Incurred in this period	Total
Mileage	106.20	0.00	106.20
Creditors' Portal	50.00	0.00	50.00
Total	156.20	0.00	156.20

Although the Administrators have sought and been granted authority from the Secured Creditor to draw Category 2 disbursements, these are yet to be drawn.

6. Prescribed Part

Under the provisions of Section 176A of the Insolvency Act 1986 the Administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where the company has granted a floating charge to a creditor after 15 September 2003.

The Prescribed Part (section 176A of the Insolvency Act 1986 (Prescribed Part) Order 2003) applies where there are floating charge realisations, net of costs and preferential claims (the 'net property'), to be set aside for unsecured creditors. This equates to:

- 50% of net property up to £10,000
- Plus, 20% of net property in excess of £10,000
- Subject to a maximum of £600,000.

The Company's net property is the amount of its property subject to any floating charges created by the Company after allowing for costs and claims of preferential creditors.

The Company granted a floating charge to Aldermore Bank PLC ("Aldermore") on 5 June 2014 and the Prescribed Part provisions would ordinarily apply. The Administrators' present estimate of the financial position of the Company shows that the net property of the Company, taking into account the costs of the Administration, is nil, therefore there will be no funds available for a Prescribed Part distribution. The Prescribed Part calculation will be revisited in the event that further realisations arise as detailed above.

Please note that the net property and prescribed part calculation can only be estimated at this stage. The value of any prescribed part may be subject to change once creditor claims and the Joint Administrators' costs and expenses have been finalised.

At this time, the Joint Administrators do not intend to make an application to the court under section 176A(5) of the Insolvency Act 1986 for an Order not to distribute the prescribed part.

7. Estimated Outcome for Creditors

7.1 Secured Creditors

Aldermore holds fixed and floating charges over the Company's assets. At the date of the Administration the indebtedness was estimated at £932,956 and has now been agreed at £1,116,671.

Book debt collections to date total £768,127.01 and this sum was remitted directly to Aldermore in line with its CID facility in the prior reporting period. The Receipts and Payments account at Appendix II discloses the distribution to Aldermore and also the various factoring charges which account for the balance recovered by Aldermore.

Creditors will note that the distribution to Aldermore has reduced by £120,000 compared to the previous report, as detailed in the Receipts and Payments account. This is because Aldermore agreed to repay some of the previous distribution received to defray the costs of the Administration.

7.2 Preferential Creditors

All of the Company's employees were transferred to ACGL under the TUPE regulations thereby avoiding any preferential claims crystallising against the Company.

7.3 Unsecured Creditors

The Joint Administrators have received claims totalling £578,340 from 42 creditors. As mentioned previously, there was no Statement of Affairs provided.

No defined clarification of creditors' claims has been undertaken. Based on current information, and in accordance with information available at the time of the Joint Administrators' Proposals, the Joint Administrators do not anticipate there being sufficient funds to enable a distribution to be paid to the unsecured creditors of the Company by virtue of the prescribed part or otherwise.

If this position changes, the Administrators will adjudicate the claims received.

8. Investigations

In accordance with the Company Directors Disqualification Act 1986, the Administrators would confirm that they have submitted a report on the conduct of the directors of the Company within the period of three years prior to our appointment to the Department for Business Innovation & Skills. As this is a confidential report, they are not able to disclose the contents.

To complete this report a review of the Company's financial accounts, bank statements and directors' questionnaires was undertaken regarding the period leading up to the Administration to ascertain whether or not there had been any misconduct by the directors in the form of any preference payments, transactions at an undervalue or wrongful trading.

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

9. Exit from Administration

An extension of the Administration was approved by the secured creditor, accordingly, the Administration is currently due to end on 16 December 2017.

The exit routes by which the Administration of the Company will end were outlined in the Proposals and previous reports.

It is most likely that the Administrators will exit the Administration by dissolution as it is probable that there will be no funds to distribute to unsecured creditors at the end

of the Administration, and there do not appear to be any matters which the Administrators consider should be dealt with through the appointment of a Liquidator.

The Joint Administrators have been granted a discharge from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect.

10. Creditors' Rights

Within 21 days of the delivery of this report, a secured creditor, or an unsecured creditor (with concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Joint Administrators provide further information about his remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the Joint Administrators' remuneration, the remuneration charged or the expenses incurred by the Joint Administrators as set out in the progress report are excessive (Rule 18.34).

If you have any queries regarding this report please contact Steve Sartin of this office in the first instance. The Administrators will report to you again at the conclusion of the Administration or in six months' time, whichever is the sooner.

For and on behalf of
Ashton Consulting (UK) Limited



N H O'Reilly
Joint Administrator

DDI 0207 186 1156
Fax 0207 186 1177
Email ssartin@moorfieldscr.com

Nicholas O'Reilly and Simon Thomas of Moorfields, 88 Wood Street, London EC2V 7QF were appointed Joint Administrators on 17 December 2015. The Administrators now manage the affairs, business and property of the Company. The Joint Administrators act as agents only and without personal liability.

**Ashton Consulting (UK) Limited – In Administration
Statutory Information**

Company Information

Company Number: 04636928

Registered Office: Moorfields Advisory Limited, 88 Wood Street, London EC2V 7QF

Trading Address: 3rd Floor, 15 Colston Street, Bristol BS1 5AP

Principal Activity: Temporary employment agency activities

Appointment details

Joint Administrators: Nicholas O'Reilly and Simon Thomas (IP numbers 8309 & 8920)

Joint Administrators' address: Moorfields Advisory Limited, 88 Wood Street, London EC2V 7QF

Date of appointment: 17 December 2015

Court: High Court of Justice

Court Reference: 3279/2015

Appointed by: Aldermore Bank PLC

Functions: Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Joint Administrators acting jointly or alone.

EC Regulations: The Company's registered office is from where the Company carries on its business. Therefore in the absence of proof to the contrary, the Company's centre of main interests is in the United Kingdom and as such these proceedings will be the main proceedings as defined in article 3 of the EC regulation.

Extensions: The Joint Administrators sought an extension to the period defined by Paragraph 76(1) of Schedule B1 of the Act that provides for the automatic end of the Administration after 12 months from the date of appointment.

The Secured Creditor approved the Administration be extended for 12 months to 16 December 2017.

Ashton Consulting (UK) Limited – In Administration
Joint Administrators' Third Progress Report

Appendix II

Joint Administrators' Receipts and Payments Account

Ashton Consulting (UK) Limited (In Administration)
Joint Administrators' Abstract of Receipts & Payments from 25 November 2016 to 24 May 2017

Notes	Estimated to realise per Statement of Affairs £	Fixed Charge for period 25/11/16 to 24/05/17 £	Floating Charge (Other) for period 25/11/16 to 24/05/17 £	Total for period 25/11/16 to 24/05/17 £	Cumulative Total from 17/12/15 to 24/05/17 £
RECEIPTS					
Book Debts	-	-	-	-	768,127.01
Bank Interest	-	5.51	9.19	14.70	34.39
Business Rates Refund	-	-	-	-	955.19
Contribution to Costs	-	-	-	-	8,670.73
Goodwill	-	8,000.00	0.00	8,000.00	31,706.45
Licence Fees	-	-	-	-	9,161.29
Office fixtures and fittings	-	-	-	-	4,500.00
WIP	-	-	-	-	12,800.00
Total	-	8,005.51	9.19	8,014.70	835,955.06
PAYMENTS					
Joint Administrators' Fees		110,672.23	-	110,672.23	110,672.23
Joint Administrators' Disbursements		66.82	-	66.82	817.16
Refactoring Charges		-	-	-	11,630.55
Factor Disbursements		-	-	-	1,775.00
Factor Discount Fees		-	-	-	5,966.41
Factor Payments		-	-	-	28,475.00
Agents' Fees		-	-	-	1,728.00
Legal Fees		-	-	-	12,897.00
Outsourced Bookkeeping Services		(51.24)	0.00	(51.24)	9,770.74
Service Charge		-	-	-	883.42
Statutory Advertising		-	-	-	84.60
Stationery & Postage		-	186.42	186.42	462.81
Storage Costs		-	22.88	22.88	384.44
Rents Payable		-	-	-	9,161.29
		110,687.81	209.30	110,897.11	194,708.65
DISTRIBUTION TO CHARGEHOLDER					
Aldermore Bank PLC		120,000.00	-	120,000.00	(597,738.93)
Balance in hand (Held in Interest Bearing Accounts)		17,317.70	(200.11)	17,117.59	43,507.48
MADE UP AS FOLLOWS					
Vat Receivable					4.58
Interest Bearing Account (Fixed)					3,342.39
Interest Bearing Account (Floating)					13,381.96
Vat Control Account (Floating)					22,958.16
VAT control account (Fixed)					3,758.90
Suspense Account					61.49
					43,507.48

Ashton Consulting (UK) Limited – In Administration
Joint Administrators' Third Progress Report

Appendix III

Time Analysis for period and Cumulative

	For the period from 25 November 2016 to 24 May 2017							Total from 16 December 2015 to 24 May 2017	
Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Avg Hourly Rate (£)	Hours Cumulative	Time Costs (£) Cumulative
10 Case Planning	0.00	1.00	0.00	0.00	1.00	450.00	450.00	11.10	4,331.00
11 Administrative Set Up	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.00	845.00
12 Appointment Notification	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.70	2,703.00
13 Maintenance of Records	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.70	2,326.50
14 Statutory Reporting	0.00	0.00	2.50	0.00	2.50	687.50	275.00	37.30	11,309.00
15 Case Monitoring	0.00	0.50	0.00	0.00	0.50	225.00	450.00	27.25	8,575.00
17 General Administration	0.00	0.00	0.00	0.70	0.70	136.50	195.00	19.66	5,389.50
18 Cashiering	0.40	0.75	0.00	5.90	7.05	1,504.00	213.33	34.50	7,369.00
19 Partner Review	3.00	0.00	0.00	0.00	3.00	1,590.00	530.00	23.25	12,232.50
2 Pre Appointment Work	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.80	156.00
70 Post appoint VAT and CT returns	0.00	0.00	4.00	4.50	8.50	1,897.50	223.24	9.50	2,148.50
Admin & Planning	3.40	2.25	6.50	11.10	23.25	6,490.50	279.16	18.578	57,385.00
30 Freehold / Leasehold Property	0.00	0.25	0.00	0.00	0.25	112.50	450.00	1.95	543.00
31 Plant and Machinery	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	273.00
33 Assets on Finance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	245.00
34 Debtors	0.00	0.80	0.00	0.00	0.80	284.00	355.00	114.40	32,621.50
35 Sale of Business	0.00	1.75	0.00	0.00	1.75	787.50	450.00	36.95	12,492.00
36 Identifying, Securing, Insuring	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.20	552.50
38 Asset related legal matters	0.00	2.00	0.00	0.00	2.00	900.00	450.00	20.40	8,714.50
71 Other Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.90	2,499.00
77 Managing Agent	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.60	168.00
Asset Realisation	0.00	4.80	0.00	0.00	4.80	2,084.00	434.17	18.640	58,108.50
60 Case Specific	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00	1,470.00
72 Legal Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.10	781.50
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.10	2,251.50
50 Creditor Correspondence	0.00	0.00	0.60	0.00	0.60	165.00	275.00	46.10	11,834.50
51 Unsecured creditor claims	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.40	1,165.00
52 Secured creditor claims/Reporting	0.00	1.50	0.00	0.00	1.50	675.00	450.00	32.65	12,824.50
57 Employee creditor claims	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.50	926.00
58 Creditors meetings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.10	828.00
63 Secured creditor reports	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.75	1,832.50
75 s120 pension reporting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.60	147.00
Creditors	0.00	1.50	0.60	0.00	2.10	840.00	400.00	93.10	29,577.50
20 SIP2 Review	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.65	2,250.50
21 CDDA Reports	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.80	1,119.00
22 Antecedent Transactions	0.00	0.00	0.43	0.00	0.43	104.55	243.14	75.63	16,544.43
65 Director's Correspondence	0.00	0.00	0.50	0.00	0.50	137.50	275.00	8.70	2,407.50
Investigations	0.00	0.00	0.93	0.00	0.93	242.05	260.27	96.56	22,315.43
42 Ongoing employee issues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	255.00
43 Planning Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.40	102.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.40	709.00
Total Hours	3.40	8.55	8.03	11.10	31.08	9,556.55	310.70	570.74	170,348.93

Moorfields Charging and Disbursement Recovery

1 Explanation of office-holders charging and disbursement recovery policies

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

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

The activities are summarised as follows:

1.1 Administration and planning

The following activities have been undertaken:

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

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

1.2 Realisation of assets

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

- Leasehold Property;
- Furniture and Equipment;
- Book Debts;
- Cash at Bank;
- Intercompany Debts;
- Licence fees;
- Sundry Refunds;
- Director's Loan Account; and
- Goodwill/WIP fee from the sale of the business.

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The time spent includes the following matters:

- Considerable time was incurred dealing with the sale of the business and assets including marketing, liaising with potentially interested parties and dealing with the actual sale.
- Time has been incurred collecting the Company's book debts as debtor positions needed to be reconciled, invoices raised and debtors actively pursued.
- There has been significant correspondence with Owen O'Neill in regard to the outstanding sums due from ACGL and Mr O'Neill in a personal capacity.

1.3 Creditors

The time spent includes the following matters:

- Recording and maintaining the list of creditors;
- Recording creditor claims;
- Dealing with specific creditor calls and correspondence;
- Reporting to creditors;
- Holding a conference call with creditors; and
- Dealing with creditor queries.

1.4 Investigations and communications

The time spent includes the following matters:

- Corresponding with the Company director for purposes of the conduct report;
- Issuing questionnaires and requests for a Statement of Affairs;
- Reviewing Company records and questionnaires and preparing the statutory return in accordance with the requirements of the Department for Business Innovation and Skills.

2. Time recording

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

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

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

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GRADE	£
Partner	530
Director/ Senior Manager	450
Manager	355
Assistant Manager	300
Senior Administrator	255
Administrator	225
Cashier/ Support	195

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

Our rates increased on 1 January 2016. The charge out rates per hour for the period from 1 January 2015 to 31 December 2015 were:

GRADE	£
Partner	515
Director/ Senior Manager	425
Manager	355
Assistant Manager	280
Senior Administrator	245
Administrator	195-225
Cashier/ Support	195

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

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

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

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

For your information, A Creditor's Guide to Administrators' Fees can be obtained at <http://www.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/creditors-guide-to-administrators-fees-england-and-wales-apr-10.pdf>

3. Disbursement recovery

Category 1 Disbursements

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

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

Category 2 Disbursements

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

The following Category 2 disbursements may be charged by this firm

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

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