

**2.17B**

The Insolvency Act 1986

**Statement of administrator's proposals**

Name of Company

Lumshill Stone Limited

Company number

04846884

In the

The High Court - Leeds District Registry

(full name of court)

Court case number

1191 of 2012

(a) Insert full  
name(s) and  
address(es) of  
administrator(s)~~I/We~~ (a)Paul Gerard Moorhead  
Moorhead Savage  
Moorgate Crofts Business Centre  
South Grove  
Rotherham  
S Yorks

S60 2DH

\*Delete as  
applicableattach a copy of \*my/~~our~~ proposals in respect of the administration of the above company

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

(b) 25 September 2012

Signed

  
~~Joint~~ / Administrator(s)

Dated

25/9/2012

**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 researchers of the public

Paul Gerard Moorhead  
Moorhead Savage  
Moorgate Crofts Business Centre  
South Grove  
Rotherham  
S Yorks  
S60 2DH

DX Number

01709 331300  
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

Cor

SATURDAY



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29/09/2012

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COMPANIES HOUSE

**Administrator's Proposals relating to  
Lumshill Stone Limited ("the Company") – In  
Administration**

**Issued on: 25 September 2012**

I, Paul Gerard Moorhead of Moorhead Savage Limited am the administrator of the company and these are my statutory proposals relating to the company

## **1 Statutory Information**

Statutory information relating to the company is attached at **appendix I**

## **2 Circumstances leading to the appointment of the administrator**

The business was originally established in 1999 as a natural stone cutting and masonry company producing architectural stonework for local builders and building factoring companies. The business was incorporated as a limited liability company as Lumshill Stone Limited in 2003.

The current director, Mr John Mulkeen acquired the business in 2007 from the former director and shareholder, for a mixture of cash and deferred consideration.

Initially the business did well under the direction of Mr Mulkeen and both 2007 and 2008 saw increased sales.

Unfortunately during the course of 2008 the business began to suffer as a result of the general economic downturn, which impacted substantially on the building trade and the downward trend continued into 2009. Consequently demand from local builders and building factoring companies for stone and block products decreased. The poor weather during early 2010 further compounded the situation, with production coming to a virtual standstill.

The company entered into a Company Voluntary Arrangement (CVA) on 28 January 2011. I was the Supervisor of the CVA and when the company began to encounter further financial difficulties it sought advice from another firm and later instructed me with a view to placing the company into administration on 7 August 2012. The company defaulted on the terms of the CVA which led to the termination of the CVA and a certificate of termination was issued on 22 August 2012. On 14 August 2012 a Notice of Intention to appoint an administrator was filed in the Leeds District Registry of the High Court (Chancery Division) and a further notice was filed on 30 August 2012.

A summary of the company's recent accounting information is shown below.

	<b>Statutory Accts Year to 31/3/11</b>	<b>Statutory Accts Year to 31/3/10</b>
Fixed assets	64,078	74,795
Current assets	138,517	157,506
Creditors' amounts falling due within one year	(277,992)	(195,112)
Net current assets (liabilities)	(139,475)	(37,606)
Total assets less total liabilities	(75,397)	37,189
Total net assets (liabilities)	(139,387)	(49,898)
Called up share capital	2	2
Profit and loss account	(139,389)	(49,900)
Shareholders' funds	(139,387)	(49,898)

No management accounts are available to cover the recent trading period.

On 12 September 2012, I was appointed by the Director as administrator of the company

**3. Objectives of the administration of the company and the administrator's strategy for achieving them**

The purpose of an administration is to achieve one of the three objectives set out in the insolvency legislation, which are to -

- (a) rescue the company as a going concern, or
- (b) achieve a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), or
- (c) realise property in order to make a distribution to one or more secured or preferential creditors

Objective (a) could not be achieved as no purchaser could be found for the shares of the company and the nature of the company's trading and its financial circumstances meant that a company voluntary arrangement was not appropriate

The second objective could not be achieved as the amount due to the company's chargeholders compared to the value of its assets means that there are only sufficient assets to make a distribution to the chargeholders and any preferential creditors. As a result, I am seeking to achieve objective (c) for the company, and will do this by a pre-packaged sale of the company's assets

The insolvency legislation has set a 12 month maximum duration for administrations, unless the duration is extended by the court or the creditors. If I am unable to complete the administration of the company within 12 months then I will either apply to the court, or hold a meeting of creditors, in order to seek approval to extending the duration of the administration

**4 Actions of the administrator following appointment**

I decided that it was not appropriate to continue the business of the company and that an immediate sale of the company's business and assets was the best way to achieve the objective of the administration. As a result, on 12 September 2012, immediately on my appointment, I sold the company's business and assets to Lumshill Stone (UK) Limited

The Company provides specialist stone cutting services, producing bespoke stone products for builders and developers, mainly heritage restoration and high-value residential building markets. The Company uses specialist stone cutting machinery to manipulate very large slabs of stone, often weighing many tonnes. There would appear to be significant risks to health and safety legislation which would need to be addressed in the event that the Company was to continue trading during an administration or receivership. The cost of addressing those health and safety risks and also providing a suitable level of management control over the business would be likely to have a detrimental impact on the ability of the Company to trade profitably whilst in a formal insolvency procedure

The Company also buys stone slabs which are used to create the bespoke stonework which is ordered by Customers. There would be a significant working capital requirement in order to fund on-going trading of the Company during a formal insolvency procedure, which would include purchasing stone slabs and other materials, labour, utilities, rent and rates and transport costs. The option to trade the business whilst in a formal insolvency procedure would therefore rely upon the availability of a new line of credit to fund working capital. In the circumstances, no requests were made to potential funders to fund working capital requirements

An independent valuation of the Company's assets was carried out by Ellis Willis & Beckett, a well-established firm of Chartered Valuation Agents based in Sheffield. The valuation was conducted on a 'market value' basis however consideration was given to the likelihood of the sale being conducted through an insolvency procedure. On the basis that the Company is insolvent and does not have the benefit of a well-known brand, and on the basis that the Company normally trades on informal contracts which would not be capable of being novated or assigned, a notional figure of £1 has been attributed to goodwill.

The Company's assets were valued as follows:

	Market Value
Plant & Equipment	£13,920
Stock	£ 2,250
Vehicle	£ 1,500
Office Furniture & Equipment	£ 353

Anecdotal evidence suggested that there is a limited market for the Company's major assets. The Director has advised that the sale of a stone cutting saw in previous years took a number of months to locate a suitable buyer and agree terms. Due to the nature of the Company's main assets, specialist fitting and transportation equipment would be required, which would be likely to reduce the value of the assets if sold on an 'ex situ' basis.

The Director of the Company expressed an interest in acquiring the assets through a connected Company in a pre-packaged sale. The pre-packaged sale of the Company's assets was considered the most suitable route on the basis that the sale would maximise the value of the Company's assets ensuring a smooth transition to the new Company, minimising the reputational damage to the Company and facilitating a sale of the Company's assets in situ. As the main assets consist of large items of stone cutting machinery a pre-packaged sale reduces the costs associated with marketing and the removal of the assets. The likely alternative to the Administration appeared to be a Winding up by the Court, as the Supervisor of the CVA was obliged to petition for the winding up of the Company, however this was not possible as the Company had filed a Notice of Intention to appoint an administrator, which prevented the presentation of the petition. In the event that a winding up petition was presented, it would be likely that the Company would cease to trade as dispositions of the Company's net property will be void on the making of a Winding up Order. The costs associated with a Compulsory Winding up are likely to be higher than the estimated costs in an Administration procedure.

A pre-packaged sale of the Company's assets was also considered the best route to safeguard the jobs of the Company's two employees and to reduce the preferential creditor claims which would be likely to arise in the event that the Company ceased trading and the employees were made redundant prior to a Winding up Order being made.

The Company's major creditor, Barclays Bank plc, was approached as debenture holder and information regarding the proposed administration and sale of the company's assets were provided to the Bank. The bank indicated that it was in broad agreement with the proposed sale however no formal consent to the Administrator's appointment was received.

A sale of the Company's assets took place on 12 September 2012. The purchaser of the assets was Lumshill Stone Services Limited (Company number 07145736) of 12-14 Percy Street, Rotherham, South Yorkshire, S65 1ED. The sole Director and Shareholder of this Company is John Mulkeen who is the sole Director and Shareholder of Lumshill Stone Limited (In Administration). An offer of £16,000 in respect of the assets and goodwill of the Company was received. It is understood that the company's vehicle had been sold prior to the appointment of the Administrator. The valuation agent recommended the offer on the basis that it was broadly similar to the valuation. On that basis, it was decided not to enter into marketing activities for the assets as this would incur additional costs and it was not clear that any better offers would be received. On this basis, the offer was accepted by the Administrator. The terms of the sale are as follows, initial consideration of £2,000 payable by

the purchaser on completion and thereafter deferred consideration payments consisting of eight monthly payments of £1 750. The consideration to be received in respect of the sale was apportioned as follows

<b>Assets</b>	<b>Value</b>
Plant & Equipment	£13,920
Stock	£ 1,726
Office Furniture & Equipment	£ 353
Goodwill	£ 1

A personal guarantee has been obtained from the Director of the proposed purchaser in respect of the consideration payable

The Company gave a Floating Charge to Barclays Bank plc on 21 August 2008 and 8 June 2009. It is understood that the Director of Lumshill Stone Limited (In Administration) has provided a personal guarantee to the Bank in respect of any amounts falling due under these Charges

## **5 Financial position of the company**

A summary of the company's estimated financial position as at 12 September 2012, which is known as a statement of affairs, is attached at appendix II

### **Comments on the statement of affairs**

#### **5.1 Plant & Equipment; Office Furniture & Equipment**

The company owns various items of stone cutting and ancillary machinery which are generally well used and would require specialist equipment to remove and transport. The company also owns some general office furniture and equipment which is well used, having been in a dusty industrial environment

#### **5.2 Stock**

The company's stock consisted of a ten tonne stone block together with a number of pallets of sawn off-cut walling stone which has remained unsold for many years

#### **5.3 Preferential creditors**

There are no known preferential claims

#### **5.4 Prescribed part**

There are provisions of the insolvency legislation that requires an administrator to set aside a percentage of a company's assets for the benefit of the unsecured creditors in cases where the company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property". A company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. An administrator has to set aside

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property up to a maximum of £600,000

The company gave a floating charge to Barclays Bank plc on 8 June 2009 and the prescribed part provisions will apply. The statement of affairs shows that the net property of the company is £16,000, and I estimate that the prescribed part of the net property for unsecured

creditors is £6,200. However, these estimates do not take into account the costs of the administration which will reduce the amount of the company's net property.

Since the company's net property is therefore likely to be less than £10,000, the insolvency legislation does not require me to distribute the prescribed part of the net property to creditors if I think that the costs of distributing the prescribed part would be disproportionate to the benefits to creditors. I am of the view that the costs of distribution would be disproportionate and so will not be making a distribution of the prescribed part of the net property to unsecured creditors.

## **6 Administrator's receipts and payments account**

I attach a summary of my receipts and payments relating to the company for the period from when it entered administration, 12 September 2012, to the date of these proposals, at appendix III.

## **7 Proposed future Actions of the administrator to achieve the objective of the administration**

In order to achieve the objective of the administration of the company I propose to realise the company's assets by collecting in the stage payments as outlined above and to pursue any other claims or potential asset realisations which may come to light during my administration of the case.

The company's financial position means there are likely to be insufficient assets to pay a dividend to unsecured creditors. I expect that a payment will be made to the secured creditor.

## **8 Administrator's remuneration and expenses**

I propose that my fees will be charged by reference to the time properly spent by me and my staff in dealing with the matters relating to the administration of the company. This time will be charged at the hourly charge out rate of the grade of staff undertaking the work at the time the work is undertaken. Information about current charge out rates and the units of time in which work done is recorded is set out in appendix IV. I also propose that I am permitted to charge what are known as category 2 expenses. Information about category 2 expenses is set out in appendix IV.

I am not convening a meeting of creditors as the company's financial position means there are insufficient assets to pay a dividend to unsecured creditors. As a result, it will be for the chargeholders to approve my remuneration and category 2 expenses.

To the date this report is prepared, my time costs amount to £3,740, representing 16.7 hours work, at an average charge out rate of £223.95. Appendix IV contains information about remuneration and expenses, including the total time spent on the affairs of the company for the period from when it entered administration on 12 September 2012, to the date of these proposals, and the cost of that time based on the charge out rates of the staff undertaking the work.

A description of the routine work undertaken in the administration to date is as follows:

### **1 Administration and Planning**

- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Preparing documentation required
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details on IPS case

- management software
  - Review and storage
  - Case bordereau
  - Case planning and administration
  - Preparing reports to members and creditors
  - Convening and holding meetings of members and creditors
- 2     Cashiering
- Maintaining and managing the administrator's cashbook and bank account
  - Ensuring statutory lodgments and tax lodgment obligations are met
- 3     Creditors
- Dealing with creditor correspondence and telephone conversations
  - Preparing reports to creditors
  - Maintaining creditor information on IPS case management software
  - Reviewing, and adjudicating on if necessary, proofs of debt received from creditors
- 4     Investigations
- Review and storage of books and records
  - Prepare a return pursuant to the Company Directors Disqualification Act
  - Conduct investigations into suspicious transactions
  - Review books and records to identify any transactions or actions an administrator may take against a third party in order to recover funds for the benefit of creditors
- 5     Realisation of Assets
- Liaising with the company's bank regarding the closure of the account
  - Liaising with the purchaser of the company's assets in order to realise the deferred consideration payable

To date, my staff and I have carried out the routine work including drafting these proposals, initiating investigations into the company's affairs as outlined above

A copy of 'A Creditors Guide to Administrators' Fees' published by the Association of Business Recovery Professionals, together with an explanatory note which shows Moorhead Savage's fee policy are available at the link [www.moorheadsavage.co.uk/creditorinformation](http://www.moorheadsavage.co.uk/creditorinformation). Please note that there are different versions for cases that commenced before or after 6 April 2010 and in this case you should refer to the post-April 2010 version. A hard copy of both documents can be obtained free of charge upon request to my office.

The following expenses have been incurred but have not yet been paid

Type of expense	Amount of expense incurred/accrued to date	Amount still to be paid
Legal fees	£479	£479

The following agents or professional advisors have been utilised in this matter

Professional Advisor	Nature of Work	Fee Arrangement
Lupton Fawcett LLP	Solicitors	Time costs

The choice of professionals 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. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.



## 9. Pre-appointment fees and expenses

The board of the company instructed me to assist them in placing the company in administration on 7 August 2012. They agreed that I should be paid my pre-appointment fees and expenses. I attach at appendix V a detailed time cost table showing the pre-appointment time costs incurred by category and staff grade at my firm. In addition to my own time costs, the following expenses were incurred:

I instructed Lupton Fawcett Solicitors LLP to advise me on the appointment formalities and on the sale of the company's assets. The firm's fees were agreed on a time costs basis and the firm was chosen on the basis that they are known to have a specialist insolvency department which has the relevant expertise in dealing with insolvency matters.

I instructed Ellis, Willis and Beckett, a firm of Chartered Valuation Surveyors, to undertake a valuation of the company's assets prior to my appointment. The firm was chosen as they are experienced in the valuation and realisation of the types of asset owned by the company. A fixed fee of £250 plus VAT was agreed for the valuation. This fee is considered reasonable in the circumstances and is broadly in line with the fees charged by other valuation agents.

The following work was undertaken:

My staff and I worked to comply with the statutory formalities for the appointment of an administrator. Work was also undertaken to obtain an independent valuation of the company's assets and to agree a sale of those assets on terms which would maximise the value of the company's assets and therefore maximise the return to creditors.

Whilst the purpose of the administration is to achieve objective (c), on the basis that the company's assets are only sufficient to make a distribution to the company's secured creditor, by obtaining an independent valuation of the company's assets and by taking appropriate legal advice regarding the sale of those assets, no unnecessary harm has been done to creditors as a whole. Following the work undertaken to agree a sale of the assets in principle prior to my appointment, it appeared to be reasonably likely that the purpose of the administration would be achieved.

The following statement sets out my pre-appointment fees and expenses incurred (net of VAT). No fees or expenses were paid prior to the administration and approval is being sought to pay them from administration funds:

Description	To be paid £
Administrator's remuneration	2,797 50
Valuation Agent	250 00
Legal fees	1,500 00
Total	4,547 50

As I have already indicated, I am not convening a meeting of creditors as the company's financial position means there are insufficient assets to pay a dividend to unsecured creditors. As a result, it will also be for the chargeholders to approve my pre-appointment fees and expenses as set out above.

## 10. Administrator's investigations

I have a duty to consider the conduct of those who have been directors of the company at any time in the three years preceding the administration. I am also required to investigate the affairs of the company in general in order to consider whether any civil proceedings should be

taken on its behalf I should be pleased to receive from you any information you have that you consider will assist me in this duty I would stress that this request for information forms part of my normal investigation procedure

## **11 EC regulation on insolvency proceedings**

I consider that the EC regulation on insolvency proceedings apply to the administration of the company I also consider that they are "main" proceedings since the company's registered office and its trading address is in the United Kingdom

## **12 Administrator's proposals**

In order to achieve the objective set out at section 3 above, as administrator of the company I formally propose to creditors that

- (a) I continue to manage the business, affairs and property of the company in order to achieve the purpose of the administration In particular that I
  - (i) realise the company's assets by collecting in the stage payments as outlined above and to pursue any other claims or potential asset realisations which may come to light during my administration of the case,
  - (ii) sell the company's assets at such time(s) on such terms as they consider appropriate,
  - (iii) investigate and, if appropriate, pursue any claims that the company may have against any person, firm or company whether in contract or otherwise, including any officer or former officer of the company or any person, firm or company which supplies or has supplied goods or services to the company, and
  - (iv) do all such things and generally exercise all their powers as Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the administration or protect and preserve the assets of the company or maximise the realisations of those assets, or of any purpose incidental to these proposals
- (b) the administration of the company will end by filing notice of dissolution with the registrar of companies The company will then automatically be dissolved by the registrar of companies 3 months after the notice is registered

In the event that this route is not possible, one of the following routes will be used

- (c) the administration will end by the presentation of a winding up petition to the court for the compulsory liquidation of the company, and propose that I, Paul Gerard Moorhead, am appointed the liquidator of the company by the court, or
- (d) the administration of the company will end by making an application to court for an order that the administration ceases, or
- (e) the administration of the company will end by giving notice to the court, creditors and registrar of companies that the objective of the administration has been achieved

### **13 Approval of proposals**

Since the purpose of the administration of the company is to achieve objective (c), that is to realise property in order to make a distribution to one or more secured or preferential creditors of the company, I am not required to hold a meeting of creditors. Accordingly, I do not intend to do so.

However, creditors whose debts amount to at least 10% of the total debts of the company can require me to convene a meeting. Such a request must be made to me on form 2.21B within 8 business days from the date of these proposals. If creditors do not require me to convene a meeting of creditors within that time period, then my proposals will be deemed to have been approved.

### **14 Further information**

Should you require any further information relating to these proposals or the administration of the company please do not hesitate to contact Sarah Ellis on the telephone number shown in the covering letter enclosing these proposals.



Paul Gerard Moorhead  
Administrator

## Appendix I – Statutory information

### Company information

Company name	Lumshill Stone Limited (in administration)
Previous name	None
Company number	04846884
Date of incorporation	27/7/2003
Trading address	Unit 16 Tapton Business Park, Brimington Road, Chesterfield S41 7UP
Current registered office	Moorgate Crofts Business Centre, South Grove, Rotherham S60 2DH
Former registered office	12-14 Percy Street, Rotherham, S65 1ED
Principal trading activity	Cutting, shaping & finishing stone

### Appointment details

Date of appointment	12 September 2012
Appointment made by	Director
Court name and reference	High Court of Justice, Leeds Registry (Chancery Division) Number 1191 of 2012
Administrator appointed	Paul Gerard Moorhead

### Officers of the company

Directors	Name	Shareholding
	John Mulkeen	100%
Company secretary	Peter Rawden	

### Share capital

Authorised	Allotted, called up and fully paid
2 ordinary shares £1 each	2 ordinary shares of £1 each

### Charges

Debenture dated 21 August 2008 in favour of Barclays Bank plc (1)  
Debenture dated 6 June 2009 in favour of Barclays Bank plc (2)

**STATEMENT OF AFFAIRS**

Name of Company

Lumshill Stone Limited

Company Number

04846884

In the

The High Court - Leeds District Registry

Court case number

1191 / 2012

Statement as to the affairs of

Lumshill Stone Limited

c/o Moorhead Savage Limited

Moorgate Crofts Business Centre

South Grove

Rotherham

on the 12 September 2012 the date that the company entered administration

**Statement of Truth**

I believe the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at 12 September 2012 the date that the company entered administration

Full Name

John Mulligan

Signed



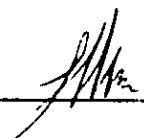
Dated

20-09-12

Lumshill Stone Limited  
Statement Of Affairs as at 12 September 2012

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
<b>Assets subject to fixed charge</b>		
Goodwill	NIL	1 00
<b>Assets subject to floating charge.</b>		
Plant & Equipment	13,920 00	13,920 00
Office Furniture & Equipment	353 00	353 00
Stock	2,250 00	1,726 00
Book Debts	2 803 12	1 00
<b>Uncharged assets</b>		
<b>Estimated total assets available for preferential creditors</b>		<b>16,000 00</b>

Signature  Date 20-09-12

Lumshill Stone Limited  
Statement Of Affairs as at 12 September 2012

A1 - Summary of Liabilities

		Estimated to Realise £
<b>Estimated total assets available for preferential creditors (Carried from Page A)</b>		16,000 00
<b>Liabilities</b>		
Preferential Creditors -		<u>NIL</u>
<b>Estimated deficiency/surplus as regards preferential creditors</b>		16,000 00
Debts secured by floating charge pre 15 September 2003		
Other Pre 15 September 2003 Floating Charge Creditors		<u>NIL</u>
		16,000 00
Estimated prescribed part of net property where applicable (to carry forward)		<u>NIL</u>
<b>Estimated total assets available for floating charge holders</b>		16,000 00
Debts secured by floating charges post 15 September 2003		
Barclays Bank Plc	92,279 99	
		<u>92,279 99</u>
<b>Estimated deficiency/surplus of assets after floating charges</b>		(76,279 99)
Estimated prescribed part of net property where applicable (brought down)		<u>NIL</u>
<b>Total assets available to unsecured creditors</b>		NIL
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade & Expense Creditors	127,063 71	
HM Revenue & Customs (PAYE)	37 227 69	
HM Revenue & Customs (VAT)	24,345 26	
HM Revenue & Customs (Corporation Tax)	11 604 65	
		<u>200,241 31</u>
<b>Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)</b>		(200,241 31)
Shortfall in respect of F C's post 14 September 2003 (brought down)		76,279 99
<b>Estimated deficiency/surplus as regards creditors</b>		(276,521 30)
Issued and called up capital		
Ordinary Shareholders	2 00	
		<u>2 00</u>
<b>Estimated total deficiency/surplus as regards members</b>		(276,523 30)

Signature




Date

20.09.12

**Moorhead Savage  
Lumshill Stone Limited  
B - Company Creditors**

Key	Name	Address	£
CA00	AV Group Limited	Windmill Lane Denton Manchester, M34 2JF	1,850 67
CA01	Ashtead Plant & Hire Co Limited	PO Box 119 Warrington, WA3 6YT	1,194 38
CA02	Alton Fork Truck Limited	Pottery Lane East, Chesterfield, S41 9BH	841 14
CA03	Areniscas (UK) Limited	Old Station Road, Rowsley, Matlock, Derbyshire, DE4 2EF	5,051 81
CA04	D J Atkinson Construction Limited	123 North Wingfield Road, Grassmore Chesterfield S42 5EB	1,371 86
CB00	Black Stone Limited	Bole Hill Quarry, Wingerworth, S42 6RG	5 186 15
CB01	Bothams Mitchell Slaney	West Bars House, West Bars, Chesterfield S40 1AQ	487 50
CB02	Barclays Bank Plc	PO Box 14 37 Rosehill Chesterfield, Derbyshire, S40 1LS	73,552 31
CB03	Barclays Bank Plc	PO Box 14, 37 Rosehill, Chesterfield, Derbyshire, S40 1LS	18,727 68
CB04	Barclaycard Commercial	PO Box 3000, Teesdale Business Park Stockton on Tees, TS17 6YG	1,242 15
CC00	A D Calvert	Architectural Stone Supplies Limited, Smithy Lane, Grove Square Leyburn, North Yorkshire DL8 5DZ	68,851 69
CC01	Chesterfield Borough Council	PO Box 100, Revenues Hall 85 New Square, Chesterfield S40 1SN	4,569 05
CE00	Environmental Services (Chesterfield) Ltd	Unit 1, Brimington Road, Chesterfield, S41 7UP	1,200 00
CE01	M P Elliot & Son	Bretton Moor Quarry, Shepherds Flatt Farm, Foolow Road, Eyam, Hope Valley, S32 5QS	4,417 05
CF00	Fork Truck Service Limited	Wingerworth Service Station, Derby Road, Wingerworth, Chesterfield, S42 6NB	972 12
CH00	Husqvarna UK Limited	Preston Road, Aycliffe Industrial Estate, Newton Aycliffe, County Durham, DL5 6UP	1,473 73
CH01	HM Revenue & Customs	Room BP3202 Warkworth House, Benton Park View, Longbenton Newcastle upon Tyne, NE98 1ZZ	24,345 26
CH02	HM Revenue & Customs	The National Insolvency Unit, 3rd Floor N/E, Queens Dock, Liverpool, L74 4AA	11,604 65
CH03	HM Revenue & Customs	Room BP3202, Warkworth House Benton Park View, Longbenton, Newcastle upon Tyne, NE98 1ZZ	37,227 69
CP00	Pisani Plc	R/O Unit 2A, Plane Tree Crescent Feltham, Middlesex, TW13 7AI	2,393 55
CR00	Peter Rawden	Rowan House, 2A Griststone Road, Matlock, DE4 3GB	23 000 00
CR01	Roccia Machinery	Roccia House, Chart Lane, Westerham, Kent TN16 1HU	1 696 10
CV00	Viking Direct	501 Beaumont Leys Lane, Leicester, LE4 2BN	505 66
CW00	Mark R Walker	Norton Barn Farm, Youlgrave Road, Over Haddon, Bakewell, DE45 1JD	759 00
<b>24 Entries Totalling</b>			<b>292,521.20</b>

Signature 



**Moorhead Savage  
Lumshill Stone Limited  
C - Shareholders**

Key	Name	Address	Pref	Ord	Other	Total
HM00	John Mulkeen	40 Hendley Drive Brimington, Chesterfield, S41 1BF	0	2	0	2
<b>1 Entries Totalling</b>						<b>2</b>



Signature

Page 1 of 1

**Lumshill Stone Limited**  
**(In Administration)**

**Administrator's Abstract Of Receipts And Payments**  
**To 25 September 2012**

<b>RECEIPTS</b>	<b>Total (£)</b>
Consideration re sale of assets	2,000 00
	<hr/>
	2,000 00
	<hr/>
<b>PAYMENTS</b>	
	<hr/>
	0 00
Balances in Hand	2,000 00
	<hr/>
	2,000 00
	<hr/>

## PRACTICE FEE RECOVERY POLICY FOR MOORHEAD SAVAGE LIMITED

### 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 [www.r3.org.uk](http://www.r3.org.uk). Alternatively a hard copy may be requested from Moorhead Savage Limited, Moorgate Crofts Business Centre, South Grove, Rotherham, S60 2DH.

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.

### Chargeout Rates

Grade of staff	Current charge-out rate per hour, effective from 1 August 2009 £
Partner – appointment taker	250
Manager	175
Supervisor/Senior Administrator	150
Case Administrator	125
Support Staff	45

These charge-out rates charged are reviewed on 1 January each year and may be 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 – which includes work such as planning how the case will be administered and progressed, the administrative set up of the case, notifying creditors and others of the appointment, keeping the records relating to the case up to date, and reporting on progress of the case to creditors and others.
- Investigations – which includes work such as undertaking an initial review of the financial affairs of the company and bankrupt, undertaking a detailed investigation with a view to making recoveries for the benefit of creditors where matters such as preferences or wrongful trading come to light as a result of the initial review, and reporting to the Insolvency Service on the conduct of the directors.
- Realisation of Assets – which includes work such as identifying, securing and insuring assets, dealing with retention of title claims, collecting debts owed and selling assets.

- Employee matters – which includes work such as dealing with employees, and liaising with the redundancy payments office
- Creditors - which includes work such as communicating with creditors, dealing with creditors' claims, and where funds realised allow, paying dividends to creditors
- Trading – which includes work such as managing and controlling all aspects of the business, and preparing financial records and information relating to that 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 Moorhead Savage Limited, 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 storage and mileage.

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

Mileage	50p per mile	Letterhead	30p per sheet
Storage	£5 per box per month	Small envelopes	15p each
Company search	£35 per company	Large envelopes	20p each
Photocopying	15p per sheet		

# Time Entry - SIP9 Time & Cost Summary

12028ADM - Lumshill Stone Limited  
 Project Code POST  
 To 25/09/2012

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	10.70	5.60	0.00	0.00	16.30	3,655.00	224.23
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.20	0.00	0.00	0.20	35.00	175.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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	0.20	0.00	0.00	0.00	0.20	50.00	250.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>10.90</b>	<b>5.80</b>	<b>0.00</b>	<b>0.00</b>	<b>16.70</b>	<b>3,740.00</b>	<b>223.95</b>
<b>Total Fees Claimed</b>						<b>0.00</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	