

2.24B**Administrator's progress report**

Name of Company Powerfuel Plc	Company number 05113279
In the High Court of Justice, Chancery Division Companies Court	Court case number 10001 of 2010

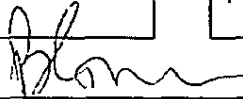
We
Richard Dixon Fleming
KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Brian Green
KPMG LLP
St James' Square
Manchester
M2 6DS

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

from	to
9 June 2011	1 December 2011

Signed


Joint Administrators

Dated

1 December 2011

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.

Rowena Thomas KPMG LLP 1 The Embankment Neville Street Leeds LS1 4DW DX Number DX 724440 Leeds	Tel DX Exchange
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Powerfuel plc in Administration

Progress Report

for period from 9 June 2011 to 1

December 2011

KPMG LLP
1 December 2011
This report contains 25 Pages

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About this Report

This progress report ("Report") has been prepared by Brian Green and Richard Dixon Fleming the Joint Administrators ("the Administrators") of Powerfuel plc ("the Company"), solely to comply with their statutory duty under the Insolvency Act 1986 and Insolvency Rules to provide creditors with an update on the progress of the Administration of the estate, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in this Company.

Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for individual creditors.

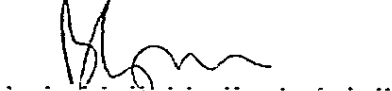
Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Act and Insolvency Rules 1986 (as amended) does so at their own risk. To the fullest extent permitted by law, the office holders do not assume any responsibility and will not accept any liability in respect of this Report.

Please note that unless stated otherwise, all amounts in this Report and appendices are stated net of VAT.

1 Executive Summary

- This Report covers the period from the date of the last progress report, 9 June 2011, to 1 December 2011. It has been prepared in accordance with Rules 2.47 and 2.112 of the Insolvency Rules 1986. It should be read in conjunction with my previous reports.
- The purpose of this Report is to provide Company's secured creditor, ING Bank N.V. ("ING") with the necessary information to allow them to consider the proposed resolution, to extend the period of the administration for six months to 8 June 2012.
- The Administrators' Statement of Proposals were approved on 14 February 2011 and have not been modified (see Section 2 - Administrators' Statement of Proposals).
- The Company was a holding company and its key assets were land owned by the Company and the investments in its subsidiaries. Accordingly, the Administrators were unlikely to sell the holding company as a going concern and the Administrators' role has therefore been limited to the realisations of these principal assets (see Section 3 - Progress to date). The purpose of the administration, in accordance with Paragraph 3(1)(b) of the Insolvency Act 1986 is achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up.
- Based on the expected level of realisations and the amounts owed to the secured creditor, it is unlikely that there will be sufficient funds available to facilitate a distribution to unsecured creditors.
- Full details of the Joint Administrators' progress are attached together with all the relevant statutory information included by way of Appendices (see Section 4 - Comments on the Appendices and the Appendices).

1.1 Office Holders



Joint Administrator – Brian Green

Joint Administrator – Richard Dixon Fleming

2 Administrators' Statement of Proposals / previous and further appointments

2.1 Administrators' Statement of Proposals

The Administrators' Statement of Proposals were circulated on 2 February 2011. Please refer to my previous reports for further details

2.2 Previous professional relationships

Please refer to my previous reports

2.3 Further appointments

As mentioned in my previous report, on 15 April 2011, Brian Green and Richard Dixon Fleming were appointed as Joint Administrators of Powerfuel Mining Limited ("PML")

On their appointment, PML's Administrators hived the business and some assets of PML to its newly formed subsidiary Hatfield Colliery Limited ("HCL")

Shares in HCL were subsequently sold to Entero B V on 27 April 2011.

3 Progress to date

3.1 Initial strategy

Please refer to my previous reports

3.2 Sale of PPL

Please refer to my previous reports

3.3 Sale of PML's assets business and assets

Please refer to my previous reports

3.4 Sale of land owned by PLC

Please refer to my previous reports

3.5 Communication

The Administrators wrote to all known creditors of the Company on 13 December 2010 advising them of their appointment

Following this, the Administrators' Statement of Proposals ("Proposals") was circulated to all known creditors of the Company on 2 February 2011

On 5 July 2011, the Administrators circulated their Progress Report for the period 9 December 2010 to 8 June 2011

3.6 Other Company's assets

3.6.1 Funding from Secured Lender

The Secured Lender indemnified the Joint Administrators for any costs incurred in the Administration. In the period covered by this Report, fixed charge funds of £1,918,235.90 and floating charge funds of £517,876.21 were advanced by ING N V ("ING") in order to pay outstanding legal fees and the Joint Administrators' fees.

3.6.2 Payments from Hatfield Colliery Limited

In order to ensure the operations of the mine were not disrupted after the sale to HCL, it was agreed that the Company would assist in paying expenses relating to HCL billed in the Company's name. All payments made were repaid by HCL in full. In the period covered by this Report, payments of £368,810.73 have been received from HCL. There are also some utility costs relating to HCL that remain to be finalised. All outstanding amounts are underwritten by ING.

3.6.3 Funds received in error

As part of their indemnity, the secured lender advanced funds in order to enable the Company to pay their legal fees. Funds of £548,364.52 to pay PML's legal fees were also transferred to the Company's bank account in error. These funds were subsequently paid over to PML.

3.6.4 Motor Vehicles

A Lexus vehicle which was previously being used by one of the Company's directors, was sold for £4,750.

3.6.5 Sundry refunds

The Administrators received various sundry refunds amounting to £23.01 and £772.18 under fixed and floating charges respectively.

3.6.6 Bank interest

The Company received £299.65 and £253.43 in interest in respect of funds held by the Administrators in their fixed and floating charge bank accounts.

3.7 Liabilities

3.7.1 Secured creditors

Based upon current information, it is certain that ING will suffer shortfall on its facility under both fixed and floating charges.

The Administrators' solicitors, White & Case LLP ("White & Case"), have reviewed the Lenders' debentures and confirmed their validity.

3.7.2 Preferential creditors

As stated in my previous report, preferential creditor claims were estimated at £5,000. The Joint Administrators have now received confirmation that the preferential claims are nil.

3.7.3 Unsecured creditors

Based upon current information the Joint Administrators do not expect there to be sufficient funds available to make a distribution to the Company's unsecured creditors under the Prescribed Part Rules once the excess funds advanced under ING's indemnity have been repaid.

The Insolvency Act 1986 (Prescribed Part) Order 2003 does apply in this case as the security held by ING was created after 15 September 2003. The Prescribed Part is calculated as a percentage of the Company's net property. The Company's net property is the net amount available to the floating charge holder after the payment of costs and preferential creditors.

The Prescribed Part is currently estimated at nil and therefore there will not be sufficient funds available, following the payment of costs of the administration, to enable a Prescribed Part distribution.

3.8 Expenses for the period

The receipts and payments for the period are set out in the attached Receipts and Payments Account (see Appendix 2).

The office holders' time costs for the period of this Report are also attached (see Appendix 3).

The statutory provisions relating to remuneration are set out in Rule 2.106 of the Insolvency Rules 1986. A creditors' guide to fees can be found at:

<https://www.r3.org.uk/uploads/sip/INTERIM%20SIP9%20April%202010.pdf>

However, if you are unable to access this guide and would like a copy, please contact Thomas Swiers on 0113 231 3316.

Since 9 July 2011 to 1 December 2011, we have incurred time costs of £209,597.50 representing 543.05 hours at an average rate of £385.96 per hour. This includes Tax, VAT, Health and Safety, Corporate Finance and Pensions advice from KPMG LLP in-house specialists.

A detailed breakdown of the charge out rates for the duration of the Administration is included in Appendix 3 to this Report.

Please note that all staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to this assignment but is reflected in the general level of charge out rates.

The Administrators' Proposals included the following resolutions:

- that the Joint Administrators will be authorised to draw fees on account from the assets of the Company from time to time during the period of the administration based on time properly spent by them and their staff in dealing with matters arising in the administration, at KPMG LLP charge out rates that reflect the complexity of

the assignment. The Joint Administrators will also be able to draw disbursements from time to time, and

- that the costs of KPMG LLP in respect of HSE, Pension, Corporate Finance, Tax, Receivables Realisation Group and VAT advice provided to the Joint Administrators be based upon time costs and shall be paid out of the assets of the Company

As stated in Section 4.2.2.1 the Joint Administrators have drawn a fee during the period covered by this Report

The Administrators have incurred in total disbursements of £20,178.97 of which £19,210.08 has been drawn in the period covered by this Report. (see Appendix 3 for further details)

Additional information about the expenses charged for the period is available from the office holder upon request by any secured creditor, and any other creditor or creditors owed 5% or more in value of the unsecured liabilities listed. Full details of the process to obtain more information under Rule 2.48A Insolvency Rules 1986 and to challenge the administrator's remuneration and expenses under Rule 2.109 Insolvency Rules 1986 are included in Appendix 4 should creditors wish to do so

3.9 Future conduct of the Administration

3.9.1 Extension of the Administration

Pursuant to Paragraph 76(1) of Schedule B1 to the Insolvency Act 1986, the administration will automatically terminate at midnight on 8 December 2011. The Administrators' term in office may be extended for six months by consent of the Company's secured creditor. In accordance with Paragraph 78(2) to the Insolvency Act 1986, consent is sought from the Company's secured creditor

This Report requests a six month extension to 8 June 2012 in order to finalise the outstanding matters in the Administration.

The Administrators therefore propose the following resolution

- that the period of the Administration be extended from 9 December 2011 to 8 June 2012.

3.9.2 Outstanding matters

It is proposed that the Administrators will continue to manage the affairs, business and property of the Company in order to achieve the purpose of the Administration. This will include, but is not limited to:

- collect outstanding funds due to the Joint Administrators from NPower;
- resolve trading costs and issue the appropriate re-charges;
- agreeing unsecured creditor claims and distributing the prescribed part, should funds permit;
- investigate transactions made by the Company in order to potentially obtain additional realisations for creditors;

- liaising with HMRC to obtain tax clearance for the period of the administration, and
- finalising the Administration including payment of all Administration liabilities.

Should the Administrators require a further extension in order to complete the above matters, then it is advised that an application will be made to Court

4 Comments on the Appendices

4.1 Statutory information

This Section includes key information about the Company

4.2 Receipts and payments account for the period 9 June 2011 to 1 December 2011

4.2.1 Receipts

Please see Section 3 for comments on the receipts during the period

4.2.2 Payments

4.2.2.1 *Administrators' fees & expenses*

After seeking approval from ING, the Joint Administrators' drew a fixed fee of £1,238,025 and a floating fee of £325,326. It is anticipated that a further £76,387.50 in fees will be drawn

Expenses of £15,902.02 (fixed) and £3,305.06 (floating) were also drawn.

4.2.2.2 *Payments on behalf of Hatfield Colliery*

As mentioned in Section 3.6.4, the Company continued to make payments on behalf of HCL. In the period covered by this Report, payments totalling £188,892.16 were made in relation to this.

4.2.2.3 *Irrecoverable VAT*

Initial advice from the Administrators' VAT specialists have indicated that the fixed charge element of the VAT on legal fees and some agents' costs relating to the sale of shares will be irrecoverable. The Administrators are still seeking final clarification on this issue.

In the period covered by this Report, £68,919.98 and £4,288.60 relating fixed and floating irrecoverable VAT has been incurred.

4.2.2.4 *Utilities and telephone costs*

The telephone and mobile phone contracts were in the name of the Company who subsequently recharged costs to its subsidiaries. The amount of £2,647.84 represents costs directly attributable to the Company.

4.2.2.5 Direct labour

In total 16 employees were employed by the Company. These were members of the management and their time was subsequently recharged to the appropriate member of the Group.

During the trading period, the Administrators made three redundancies.

Labour costs and employee benefits amount to £3,371.61

4.2.2.6 Other costs

Various other costs were incurred as part of the trading which are disclosed in Appendix 2 of this Report.

4.2.3 Agents fees

£6,468.39 was paid in the period covered by this Report relating to advice provided by Wardell Armstrong regarding the Company's land.

£300 was paid to Fox Lloyd Jones for their services in providing advice relating to the sale of the Motor Vehicle (see Section 3.6.5).

4.2.4 Legal fees and disbursements

White & Case LLP provided legal advice to the Administrators in respect of the following:

- validity of the appointment of the Administrators;
- validity of security,
- sale of business and sale of shares,
- advice relating to land issues, and
- general advice in the Administration.

During the period, the Administrators paid relating to White and Case's fees and expenses £331,622.60 & £99,056.10 from fixed and floating funds respectively.

Further, in order to ensure the ability to trade on, the Administrators agreed to cover costs for Cobbett's LLP who advised the directors on their statutory duties. In the period covered by this period £21,443 was paid relating to this.

4.2.5 Storage costs

The Administrators have paid £520.31 in the period in relation to the ongoing storage of the Company's books and records.

4.2.6 Other payments

Various other costs have been incurred details of which can be found in Appendix 2 of this Report.

4.3 Analysis of office holders' time costs

4.3.1 Post appointment corporation tax

Time costs of £31,999.75 (72.05 hours) have been incurred relating to post sale of business matters. This included revisiting and resubmitting past period tax returns, liaising with HMRC and correspondence with HCL.

4.3.2 Statutory reporting

In July 2011 the Administrators circulated their six monthly report to all known creditors of the Company and time costs of £14,206.25 (47.95 hours) were incurred in relation to the preparation and circulation of this Report.

4.3.3 Investigation

The Administrators have submitted their report regarding the affairs of the Company and the conduct of the Directors to the Department for Business, Innovation and Skills.

Time costs of £31,566.25 (95.25 hours) have been incurred in relation to this matter.

4.3.4 Debtors

The Administrators believe that a refund of circa £63,000 is likely to be due relating to a climate change levy which had been incorrectly charged on electricity bills.

Prior to appointment, a deposit of £395,000 was placed with the Company's electricity provider.

Time costs of £3,233 (10.60 hours) have been incurred in relation to obtaining these refunds.

4.3.5 Other Assets

In order to be compliant with requirements for the Company of this size, a carbon usage report was prepared by the Administrators for the Environmental Agency detailing the carbon usage for the year from 1 April 2010 to 31 March 2011.

Time costs of £4,392.50 (14.40 hours) have been incurred in relation to gathering the relevant information and preparing this Report.

4.3.6 Reports to secured lender

Time costs of £76,387.50 (148.20 hours) have been incurred in additional reporting which was provided to the secured lender at their request.

4.3.7 Trading costs

As mentioned above, the Administrators ensured that the subsidiaries were able to trade as usual whilst the Administrators marketed their shares for sale. Time costs of £6,515 (21 hours) in relations to finalisation of trading costs were incurred.

4.4 Expenses for the period

Expenses for the period are summarised in Appendix 4 which include the time costs as analysed in Appendix 3.

5 Appendix 1

5.1 Statutory Information

Appointment	
For period	9 June 2011 to 1 December 2011
Company name	Powerfuel Plc
Nature of business	Mining and agglomeration of hard coal
Court details	The Administration Order was made on 9 December 2010 in High Court of Justice, Companies Court Division number 10001 of 2010, at application by qualifying floating charge holder
Date of appointment	9 December 2010
Extension obtained	n/a
Office holder details	Richard Dixon Fleming was appointed on 9 December 2010 and is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association Brian Green was appointed on 9 December 2010 and is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales
Registered number	05406360
Previous registered office	Hatfield Colliery Waggons Way Stainforth, Doncaster DN7 5TZ
Present registered office	KPMG LLP 1 The Embankment Neville Street Leeds LS1 4DW
Basis of remuneration	Time costs
Application of EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations



Powerfuel plc in Administration
KPMG LLP
1 December 2011

**6 Appendix 2 – Office holders’ receipts and payments
account**

Powerfuel Plc
(In Administration)
Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 09/06/2011 To 01/12/2011	From 09/12/2010 To 01/12/2011
FIXED CHARGE ASSETS		
	1,918,235 90	4,618,235 90
	NIL	512,503 03
	NIL	NIL
14,000 00	NIL	NIL
20,000,000 00	NIL	NIL
20,000,000 00	NIL	1 00
	368,810 73	473,547 89
	23 01	23 01
	299 65	553 56
	NIL	NIL
	2,287,369 29	5,604,864 39
FIXED CHARGE COSTS		
	NIL	NIL
	(1,238,025 00)	(1,238,025 00)
	(15,905 02)	(15,905 02)
	(331,622 60)	(357,248 60)
	(12,977 30)	(19,321 13)
	(6,468 39)	(39,368 39)
	NIL	(62,365 18)
	(2,647 84)	(3,350 06)
	(188,892 16)	(328,231 01)
	(25 00)	(472 05)
	(68,919 98)	(74,111 12)
	NIL	(582,347 07)
	NIL	(35 00)
	NIL	(1,411,553 38)
	(129 85)	(10,521 63)
	NIL	(4 712 92)
	(1,995 14)	(223,357 26)
	NIL	(1,438 61)
	(1,376 47)	(8,845 22)
	(1,868,984 75)	(4,381,208 65)
FIXED CHARGE CREDITORS		
(87,626,924 99)	NIL	NIL
(389,161 71)	NIL	NIL
	NIL	NIL
ASSET REALISATIONS		
	517,876 21	517,876 21
	4,750 00	4,750 00
	548,364 53	548,364 53
	20 00	20 00
	NIL	40 00
365,000 00	NIL	NIL
70,819 41	NIL	NIL
	1,569 86	10,455 34
	1,072,580 60	1,081,506 08
OTHER REALISATIONS		
	253 43	300 49

Powerfuel Plc
(In Administration)
Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 09/06/2011 To 01/12/2011	From 09/12/2010 To 01/12/2011
Sundry refunds	772 18	1,653 66
Repayment of intercompany debt	NIL	268,133 00
	1,025 61	270,087 15
COST OF REALISATIONS		
Administrators' fees	325,326 00	325,326 00
Administrators' expenses	3,305 06	3,305 06
Payments on behalf of PPL	NIL	124,414 72
Irrecoverable VAT	4,288 60	4,288 60
Agents'/Valuers' fees	300 00	33,941 69
Legal fees	120,499 10	120,499 10
Legal Disbursements	3,876 34	3,876 34
Funds received in error refunded to PML	548,364 53	548,364 53
Telephone/Telex/Fax	NIL	295 34
Storage costs	520 31	520 31
Re-direction of mail	NIL	27 20
Statutory advertising	NIL	772 18
Vehicle costs	NIL	4,508 41
Bank charges	25 00	625 37
	(1,006,504 94)	(1,170,764 85)
(47,566,267.29)	485,485.81	1,404,484.12
REPRESENTED BY		
Floating ch VAT rec'able		93,264.19
Fixed charge current		724,686 11
Floating charge current		94,538 82
Fixed charge VAT rec'able		565,170 85
Fixed charge VAT payable		(98,078 35)
Floating ch VAT payable		(10 00)
Floating ch VAT control		(6,837 41)
Fixed charge VAT control		33,666 79
Pension Contributions		(1,916 88)
		1,404,484.12

Richard Dixon Fleming
Administrator

7 Appendix 3 - Analysis of office holders' time costs for the period 9 June 2011 to 1 December 2011

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Administration & planning							
Cashiering							
General (Cashiering)	120		6.55		11.55	£5,215.75	£284.21
Reconciliations (XPS accounting reviews)			11.0		11.0	£3,355.50	£302.30
General							
Books and records			13.30		13.30	£5,281.50	£288.51
Fees and WIP	0.30	100	5.20	0.30	7.80	£2,484.50	£318.53
Statutory and compliance							
Checklist reviews	0.50		7.70	0.50	8.70	£2,771.00	£318.51
Statutory receipts and payments accounts			140		140	£385.50	£278.21
Statutory documents	100	0.50			150	£937.50	£659.33
Tax							
Post appointment corporation tax	2.00	56.30	18.00		76.30	£34,009.75	£445.71
Post appointment VAT		5.70	16.50		22.30	£6,532.00	£297.40
Creditors							
Creditors and claims							
General correspondence	170		6.80	100	9.50	£3,228.50	£339.84
Secured creditors			0.90		0.90	£274.50	£305.00
Statutory reports	2.30		4190	3.75	47.95	£4,208.25	£296.27
Employees							
Correspondence			10.20	150	17.70	£5,121.00	£289.32
Pensions reviews			0.70		0.70	£1,610.00	£230.00
Additional reports to secured lenders							
Reports to secured lenders		144.70		3.50	148.20	£76,387.50	£516.44
Investigation							
Director							
Correspondence with directors		180	2.60		4.40	£1,738.00	£395.00
D form drafting and submission	10.20	2.00	6.30		28.50	£11,879.00	£416.81
Director's questionnaire / checklist		100			100	£525.00	£525.00
Investigations							
Correspondence re investigations		2.50	6.80		9.30	£3,311.50	£356.08
Review of pre appointment transactions			52.05		52.05	£14,112.75	£271.41
Realisation of assets							
Asset Realisation							
Cash and investments			150		150	£1,880.00	£305.00
Debtors			10.50		10.50	£3,233.00	£305.00
Health & safety			0.50		0.50	£152.50	£305.00
Open cover insurance			0.70		0.70	£2,150.00	£305.00
Other assets			14.40		14.40	£4,292.00	£305.00
Sale of business			4.40		4.40	£1,342.00	£305.00
Stock and WIP			100		100	£305.00	£305.00
Vehicles			2.50		2.50	£762.50	£305.00
Trading							
Cash & profit projections & strategy			0.20		0.20	£51.00	£305.00
Purchases and trading costs		0.50	20.50		21.00	£6,516.00	£310.24
Sales			0.20		0.20	£51.00	£305.00
Total in period					543.05	£209,597.50	£385.96
Brought forward time (appointment date to SP9 period start date)					1023.75	£17986.200	
SP9 period time (SP9 period start date to SP9 period end date)					543.05	209,597.50	
Carried forward time (appointment date to SP7 period end date)					14,566.80	£2,008,439.50	

7.1 Administrators' charge out rates for the period

Grade	From 1 October 2010 £/hr
Partner	725
Associate Partner	635
Director	635
Senior Manager	525
Manager	420
Senior Administrator	305
Administrator	230
Support	120

	KPMG LLP Corporation Tax Team	KPMG LLP VAT Team	KPMG LLP Pensions Team	KPMG LLP CCS Team
Grade	From 1 July 2010 £/hr	From 1 July 2010 £/hr	From 1 July 2010 £/hr	From 1 July 2010 £/hr
Partner	725	725	725	700
Associate Partner	635	635	635	640
Director	635	635	635	640
Senior Manager	525	525	525	550
Manager	420	420	420	450
Senior Administrator	305	305	305	310
Administrator	230	230	230	225
Support	120	120	120	180
Work Experience	40	40	40	70



7.2 Administrators' disbursements during the period

Expense name	Expense amount (£)
Insolvency Bond	1,600.00
Travel costs	153.10
Printing Costs	82.59
Sundry	15.00
Total	1,850.69

8 Appendix 4 - Schedule of expenses for the period

9 June 2011 to 1 December 2011

Fixed charge costs			
Account	Accrued	Paid	Total
Administrators' fees	165,981.25	0.00	165,981.25
Administrators' expenses	1,425.03	0.00	1,425.03
Utilities/Telephone	5,000.00		5,000.00
Bank charges		25.00	25.00
Data Site		129.85	129.85
Direct Labour		1,995.14	1,995.14
Employee Benefits		1,376.47	1,376.47
	172,406.28	3,526.46	175,932.74
Cost of realisations			
Administrators' fees	43,616.25	0.00	43,616.25
Administrators' expenses	425.66	0.00	425.66
Irrecoverable VAT		4,288.60	4,288.60
Legal fees	5,000.00		5,000.00
Funds received in error refunded to PML		548,364.53	548,364.53
Storage costs	400.00	420.31	820.31
Bank charges		25.00	25.00
	49,441.91	553,098.44	602,540.35
TOTAL	221,848.19	556,624.90	778,473.09

Creditors are reminded that the basis on which fees have been reported are to be agreed by ING

However to determine if the quantum of the fees to be taken is reasonable the analysis included at Appendix 3 should be reviewed and any additional information can be requested by any secured creditor or any unsecured creditor(s) with at least 5% in value of the unsecured debt in accordance with rule 2.48A Insolvency Rules 1986. This request must be made within 21 days receipt of the Report. The full text of that rule can be provided on request.

In addition creditors are reminded that the quantum can be challenged by unsecured creditor(s) with at least 10% in value excluding that creditors claim by making an application to court in accordance with rule 2.109 Insolvency Rule 1986. The full text of this rule can also be provided on request.

9 Extract from the Insolvency Rules 1986

Insolvency Rules 1986

2.48A Creditors' request for further information

(1) If— (a) within 21 days of receipt of a progress report under Rule 2.47—

(i) a secured creditor, or

(ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or with the permission of the court upon an application made within that period of 21 days, any unsecured creditor, the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2.47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2). The administrator complies with this paragraph by either—

(a) providing all of the information asked for, or

(b) so far as the administrator considers that—

(i) the time or cost of preparation of the information would be excessive, or

(ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or

(iii) the administrator is subject to an obligation of confidentiality in respect of the information,

giving reasons for not providing all of the information.

(3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of—

(a) the giving by the administrator of reasons for not providing all of the information asked for, or

(b) the expiry of the 14 days provided for in paragraph (1).

and the court may make such order as it thinks just.

(4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2.109(1B) by such further period as the court thinks just.

2.109 Creditors' claim that remuneration or other expenses are excessive

(1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may

apply to the court for one or more of the orders in paragraph (4)

(1A) An application may be made on the grounds that—

- (a) the remuneration charged by the administrator,
- (b) the basis fixed for the administrator's remuneration under Rule 2.106,
- (c) expenses incurred by the administrator.

is or are in all the circumstances excessive, or in the case of an application under sub-paragraph (b), inappropriate

(1B) The application must, subject to any order of the court under Rule 2.48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")

(2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly.

(3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it.

(4) If the court considers the application to be well-founded it must make one or more of the following orders—

- (a) an order reducing the amount of remuneration which the administrator was entitled to charge
- (b) an order fixing the basis of remuneration at a reduced rate or amount
- (c) an order changing the basis of remuneration,
- (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration,
- (e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify.

and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report.

(5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant and are not payable as an expense of the administration