

**2.17B**

The Insolvency Act 1986

**Statement of administrator's proposals**

Name of Company Consolidated Vending Plc	Company number 05838528
In the High Court of Justice (full name of court)	Court case number 8560/2008

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

I/We (a)  
T J Binyon  
Tenon Recovery  
Sherlock House,  
73 Baker Street,  
London,  
W1U 6RD

S J Parker  
Tenon Recovery  
Sherlock House  
73 Baker Street  
London  
W1U 6RD

\*Delete as applicable

attach 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 November 2008

Signed

  
 Joint Administrator(s)

Dated

25/11/08

**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 public

T J Binyon  
Tenon Recovery  
Sherlock House,  
73 Baker Street,  
London,  
W1U 6RD

Number

+44 (0) 207 935 5566  
DX Exchange

When you have completed and signed this form, please send it to the  
gistrar of Companies at:-  
**Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff**

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COMPANIES HOUSE

## **Consolidated Vending Plc – In Administration**

### **Statement of Joint Administrators' proposals Pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986**

In accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986 ("the Act") and The Insolvency Rules 1986 ("the Rules"), T J Binyon and S J Parker the Joint Administrators ("Administrators") of Consolidated Vending Plc ("the Company"), make the following proposals for achieving the purpose of the Administration.

These proposals and the attached report to creditors together set out the information required by and discharge the Administrators' duty pursuant to Paragraph 49 of Schedule B1 of the Act and Rule 2.33 of the Rules.


### **Proposals**

The Administrators propose that:

- (a) they continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration such that:
  - (i) they dispose of the Company's ownership of such assets at such time(s) on such terms as they consider expedient;
  - (ii) they 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.
  - (iii) in addition, they 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; and
- (b) the Administration shall continue (subject to the statutory provisions relating to automatic termination) until the realisable assets of the Company have been realised and all liabilities incurred during the Administration have been discharged or until such a time as deemed appropriate by the Administrators. At this stage the Company shall be dissolved or placed into liquidation as outlined above. If necessary, the Joint Administrators propose to seek an extension of their appointment as Administrators from the creditors and/or the Court pursuant to paragraph 76 of Schedule B1 to the Act.
- (c) In the event that the Administrators are of the view that it is appropriate for the Company to move from Administration into Liquidation, whether compulsory or voluntary, the Joint Administrators be authorised to take steps to place the Company into whichever liquidation process they, at their discretion, deem appropriate. In either circumstance, it is proposed that the Joint Administrators would take the appointment as joint liquidators of the Company and that they will act jointly and severally in their duties. In relation to moving into creditors' voluntary liquidation, and in accordance with paragraph 83(7) and Rule 2.117 (3), creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of the proposals and before those proposals are approved.
- (d) If the Administrators consider an exit from the Administration into compulsory liquidation or creditors' voluntary liquidation is not appropriate, then the Administrators be authorised to

take the necessary procedural steps to bring about the end of the Administration and move the Company into dissolution pursuant to paragraph 84 of Schedule B1 to the Act.

- (e) Upon the Company either proceeding into Liquidation or dissolution as set out above, the Joint Administrators discharge from liability, pursuant to paragraph 98 of Schedule B1 shall take effect 14 days following either the Company entering into liquidation or filing the notice of moving from Administration to dissolution.
- (f) They be at liberty to incur and pay such costs and expenses, including professional fees, as considered to be incidental to the achievement of the purpose of the Administration or for the purposes set out herein or to the Joint Administrators' statutory duties.
- (g) The Administrators propose to be remunerated by reference to time properly spent both for their services as Administrators and also for their staff in attending to the matters arising in the Administration of the Company, charged at the charge out rates prevailing at the time the work is undertaken. The Administrators' remuneration will be agreed by the Creditors' Committee or in the event that no Committee is formed by creditors at the first meeting of creditors, by way of resolution for the acceptance of these proposals.
- (h) Tenon's costs and expenses relating to the appointment of Administrators as would fall within the definition of Rule 2.67(1)(c) be treated as an expense of the Administration (albeit incurred prior to the date of appointment) and calculated by reference to the charge out rates prevailing at the time the work is undertaken.
- (i) They be at liberty to recharge disbursements as detailed in the circulated Creditors guide to Administrators' fees.
- (j) They be at liberty to pay costs and remuneration in relation to proposals (g), (h) and (i) above when funds become available.
- (k) They consult with the Creditors' Committee, if formed, at appropriate intervals concerning the conduct of the Administration and the implementation and development of these proposals and where they consider it expedient obtain the sanction of that Committee on behalf of the creditors of the Company (and without further reference to them) to any proposed action on the part of the Administrators.



J. Binyon  
Joint Administrator

24 November 2008

# Tenon recovery

To All Known Creditors

Our ref: MAN/TJB/3033204/ADM.106  
Date: 24 November 2008  
Email: michelle.newell@tenongroup.com  
Tel: +44 (0) 207 935 5566

TUESDAY

COMPANIES HOUSE

Dear Sirs

**Consolidated Vending Plc/ Kiddies Rides (UK) Limited/ Snap Digital Imaging Limited  
- All In Administration ("the Companies")**

This report to creditors and the proposals enclosed, together set out the information required by and to discharge the Joint Administrators' duty pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986 ("the Act") and Rule 2.33(1) and (2) of the Insolvency Rules 1986 (as amended) ("the Rules").

**1. Statutory Details**

Attached as Appendix 1 are the statutory details of the Companies and information regarding the appointment of Administrators.

As the three Companies in Administration are associated Companies, with the appointment of Administrators all taking place on the 1 October 2008, the report has been completed to incorporate all three companies.

**2. Circumstances leading to the appointment of Joint Administrators**

Snap Digital Imaging Limited ("Snap") was incorporated on 21 August 1998 with the purpose of operating and servicing photobooths at a range of client premises. Clients included several large supermarket chains, together with many individual shopping centres and independent sites.

Trading commenced well, as a contract with the Post Office was soon secured which resulted in a turnover alone of £5million per annum, and 450 booths were utilised on the contract.

In 2002, Snap continued to win new customers, and a contract with Safeway was secured which resulted in the requirement for a further 420 booths to be built and installed, with necessary funding obtained in the sum of £4million.

In late 2002 a new financial director was appointed and it became immediately evident that revenue was below the target previously set, and there were significant unreported liabilities for the company. It was decided that the focus should shift to reducing costs and ensuring Snap returned to profitability, rather than securing the next significant contract (which would involve significant time and outlays).

In late 2003, Snap owed creditors circa £5million, £750,000 of which was due to the Post Office in respect of outstanding commissions. A recovery plan was agreed with the Post Office and Snap's other creditors.

During 2004 and 2005 Snap generated turnover in the region of £8million, with profits in each of those years of £500,000 per annum. During this period all outstanding creditors were repaid in full, whilst the secured creditor continued to provide its support to the company.

At the end of 2005 the significant contract with the Post Office concluded, and a competitor secured the new contract. By the middle of 2006, Snap had removed its equipment from all of the Post Office sites. The direct effect of losing the contract resulted in a 55% decrease in revenue. In addition to the loss of revenue, 40% of the workforce were made redundant, and the bank withdrew the company's overdraft facility.

In June 2006, Consolidated Vending Plc, a non trading holding company, acquired the business and assets of Snap for £2.75million. On completion, the debt to the secured creditor (of circa £1.2million) was repaid.

In addition, on the same date, CV purchased the entire share capital of Bfresh Limited ("BF") in exchange for 82,200,000 ordinary shares in CV. BF operated vending machines selling quality miniature toiletries, through a range of select health clubs.

On the 13 December 2006, CV was successfully placed on the AIM Stock Market. Up to 35,000,000 ordinary shares were placed at a price of 3 pence per share, which raised a total of £1,050,000 before fees and expenses.

The first trading period to 31 December 2006 resulted in a pre-tax loss of £1,062,000, with turnover for the period at £1,545,000. The group had net debt of £689,000, with net cashflow from operating activities at £831,000.

On 27 June 2007 CV restructured its debt and purchased Kiddies Rides (UK) Limited ("KRUK") for £600,000 in cash and shares in CV. KRUK serviced children's coin operated rides in various stores and supermarkets.

Around the same time, it became apparent that despite the efforts of the management team, BF was not going to be a successful business venture as it was losing £20,000 cash a month. The business was marketed for sale and sold for £85,000 in October 2007. (The combined entities now consist of CV, Snap and KRUK, together now referred to as "the Group").

Towards the end of 2007, the Group's trading increased to 407 photobooths and 330 children's rides. Revenue for the year from continuing operations was £3,403,000, with a loss before tax of £1,160,000.

During 2008, the Group continued to seek new vending ventures and were successful in mid 2008 in securing a contract with a significant chain of supermarkets worth £20million over the next 10 years. Although this deal was a significant contract for the Group to win, the terms in that required the Group to make accelerated payments of commissions earlier than the Group would normally. This resulted in a significant impact on the Group's cashflow.

Around the same time a further large customer renewed their contract with a different supplier, which resulted in a loss of revenue to the Group of approximately 25%.

Given the cashflow problems faced financing the new contract, the loss of a significant revenue stream, and the significant creditor pressure being faced, it soon became apparent that without further funding, the Group could not continue to trade in its current predicament.

Throughout the year prior to the administration, the business was marketed for sale and several offers were received, although none resulted in a successful sale of the business.

On 1 October 2008, T J Binyon and S J Parker of Tenon Recovery were appointed as Joint Administrators pursuant to Paragraph 14(1) of Schedule B1 of the Act. The appointment provided that any act required or authorised under any enactment to be done by an Administrators may be done by either or both of the Administrators acting jointly or alone.

## 2.1. Summary of recent performance

A summary of the recent trading position is shown below.

### Consolidated Vending Plc

	Audited Accts 1 Jan 2007 to 31 Dec 2007	Audited Accts 209 day period (7 months) Ended 31 Dec 2006
	£	£
Turnover	3,403,000	1,459,000
Cost of Sales	(2,190,000)	(765,000)
Gross Profit	1,213,000	694,000
Gross Profit %	36	48
Net Profit/(Loss) after tax	(927,000)	(1,201,000)

### Kiddies Rides (UK) Limited

	Mgmt Accts 1 Nov 2006 to 31 Dec 2007 (14 months)	Audited Accts 1 Nov 2005 to 31 Oct 2006
	£	£
Turnover	1,057,500	938,721
Cost of Sales	(673,306)	(730,483)
Gross Profit	384,214	208,238
Gross Profit %	36	22
Net Profit/(Loss) after tax	(104,017)	53,386

## Snap Digital Imaging Limited

	Audited Accts 1 Jan 2007 to 31 Dec 2007 £	Audited Accts 1 Jan 2006 to 31 Dec 2006 £
Turnover	2,862,283	5,398,076
Cost of Sales	(1,844,295)	(4,620,924)
Gross Profit	1,017,988	777,152
Gross Profit %	35	14
Net Profit/(Loss) after tax	(73,604)	(134,729)

It should be noted that the management accounts have not been verified for accuracy and therefore may not reflect the business's true trading position.

### 3. Objectives of administration and strategy for achievement by the Joint Administrators

The objective of the Administration process is to:-

- (a) rescue the company as a going concern; or
- (b) achieve a better result for the companies' 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.

The first objective for the Administration could not be met. The Company had attempted to sell the business prior to formal insolvency, however all efforts proved unsuccessful.

As the business and assets of the Companies have been sold, it is envisaged that there will be sufficient funds available to make a distribution to the secured and preferential creditors.

The strategy for the Administration is therefore to realise property in order to make a distribution to one or more secured or preferential creditors.

### 4. Management of Business by the Joint Administrators following appointment

At the commencement of the Administration, the Companies employed 26 people within the Group.

The Joint Administrators considered the merits of continuing to trade. It was concluded that there was a benefit to a limited trading period whilst a sale of the business as a going concern was pursued. This strategy was also recommended by independent agents instructed to assist with the marketing of the business. Such a sale would ensure that the value of the assets and intellectual property were maximised and certain assets, such as the goodwill and book debts, protected through continuity of supply to customers.

Following appointment, the Joint Administrators sought to dispose of the business and assets through a sale of the business as a going concern. Independent agents marketed the business for sale and contacted certain parties who had previously been interested in the companies. There were approximately eleven expressions of interest from various parties, with four offers received.

Offers were considered by myself and my agents, following which two offers were rejected due to insufficient evidence of funding and a considerably undervalue offer. Two offers were accepted and negotiations were undertaken to secure a sale which later completed to the two separate parties on the 4 and 7 November 2008.

The Companies traded in administration until various parts of the business were sold. The business and assets of Kiddies Rides (UK) Limited were sold to Camden Management Services Limited on 4 November 2008, this also included all photobooths from Snap Digital Imaging Limited (apart from those which related to a contract with Morrisons). On the 7 November 2008, the remainder of the business and assets of Snap Digital Imaging Limited, which consisted of the Morrisons contract and those machines and parts relating to that contract, were sold to Media 4 Self Service Limited. Both sale of businesses were completed to non connected third parties.

Agents have been instructed to continue the disposal process in respect of any residual assets including the company motor vehicles.

## **5. Proposed Exit Route of Administration**

It is proposed that the Administration will end with the Companies being placed into either Creditors Voluntary Liquidation ("CVL") pursuant to paragraph 83 of schedule B1 to the Act, or in the event there are no funds to distribute outside the administration, into dissolution.

Enclosed with this report are the Joint Administrators proposals, which include at proposal (c) that, T J Binyon and S J Parker be the proposed liquidators of the Companies.

If the Joint Administrators consider it appropriate to exit into a CVL, then pursuant to paragraph 83(7) of Schedule B1 to the Act and rule 2.117(3) of the Rules, the creditors may nominate a different person(s) as the proposed liquidator(s) provided that the nomination(s) is made after the receipt of the proposals but before the proposals are approved. If the Companies exit into compulsory liquidation, the Joint Administrators propose to take the appointment as Joint Liquidators pursuant to section 140(1) of the Act.

## **6. Statement of Affairs**

A summary Statement of Affairs for each Company is attached to this report as **Appendix 2**. The directors of the Companies have been requested to submit a statement of affairs, and an extension of the deadline for this has been allowed.

### **6.1. Book Debts**

The collection of book debts is being managed by the Joint Administrators and is ongoing. I have been advised that the debtor ledger on appointment was approximately £58,612, although I understand some debtors are bad or doubtful. I have written to all debtors, requesting payment.

### **6.2. Motor Vehicles**

The majority of the Companies' motor vehicles are subject to finance agreements with a small level of un-pledged vehicles.



### **6.3. Sale of the Business and Assets**

The business and certain assets of Kiddies Rides (UK) Limited, including certain assets of Snap Digital Imaging Limited, were sold to Camden Management Services Limited on 4 November 2008 for £400,000.

The business and certain assets of Snap Digital Imaging Limited were sold to Media 4 Self Service Limited on 7 November 2008 for £450,000. The purchase price is represented by £225,000 cash and £225,000 in respect of a loan provided by Trafalgar Capital Specialised Investment Fund, which in turn reduces their secured claim over the company.

### **6.4 Cash at Bank**

As at the date of my appointment there was approximately £300,000 held in the combined Companies administration bank accounts. I am currently calculating the split between pre appointment receipts and post appointment trading sales and I expect to finalise that exercise shortly.

## **7. Joint Administrators' Receipts and Payments Account**

I attach at **Appendix 4** a summary of the Joint Administrators' Receipts and Payments account to the date of this report. There have been realisations totalling £2,193, £826,587 and £766,373 in respect of CV, KRUK and Snap respectively, as specified above. Expenses totalling £190, £179,795 and £488,777 have also been incurred in respect of CV, KRUK and Snap. I trust you will find the attached self explanatory.

## **8. Joint Administrators' Proposals**

Pursuant to Paragraph 49 of Schedule B1 of the Act, enclosed with this report are the Joint Administrators' proposals for achieving the purpose of the Administration as set out in Section 3 of this report.

## **9. The Prescribed Part**

A debenture was granted in favour of Trafalgar Capital Specialised Investment Fund on 27 June 2007. Since this charge follows the commencement of the provisions of Section 176A of the Act, the Joint Administrators are required to set aside a "Prescribed Part" fund specially for unsecured creditors. Such a fund will not apply should the Companies' net property amounts to less than £10,000 and the Joint Administrators consider that the cost of making such a distribution would be disproportionate to the benefits. The prescribed part will be calculated at 50% up to £10,000 and 20% of the property that exceeds this amount.

An estimate of the prescribed part is shown in the statement of affairs but it should be noted that this is based upon the Companies' gross assets prior to the costs of the Administration process.

## **10. Joint Administrators' Remuneration**

The Joint Administrators are proposing that they should be remunerated by reference to time properly spent by them and their staff in attending to the matters arising from the Administration of the Companies pursuant to rule 2.106(2)(b) of the Rules. The Joint Administrators will be seeking agreement for such remuneration from the Creditors' Committee or, in the event that

such a committee is not formed, from the creditors at the forthcoming meeting by way of formal resolution.

Included within this report, as **Appendix 3** is a schedule of time costs to date and supporting information as required by Statement of Insolvency Practice number 9. The pre-appointment costs of the administrations until the date of appointment in regard of CV, KRUK and Snap total £1,855, £832 and £637. The Joint Administrators have post-appointment time costs to date in respect of CV, KRUK and Snap of £27,456, £37,781 and £50,805 respectively, and disbursements totalling £796 to be split between all three Companies.

Enclosed with this report is a Creditors' Guide to Administrators' Fees.

#### **11. Meeting of Creditors**

A notice convening the first meeting of creditors is enclosed with this report. This meeting is due to be held on Wednesday 10 December 2008 at 11.00am at Sherlock House, 73 Baker Street, London W1U 6RD.

This meeting is to consider and approve (or otherwise) the Joint Administrators' proposals.

Creditors can either attend the meeting in person or by completing the enclosed proxy form.

#### **12. Joint Administrators' Investigations**

Under the insolvency legislation, I have a duty to consider the conduct of those who have been directors of the Companies at any time within three years preceding the Administration. I am also required to consider whether any civil proceedings should be taken. Please let me know, using the attached form, if there is any matter of which you believe I should be aware when considering the directors' conduct. I would stress that this request for information forms part of my usual investigation proceedings.

#### **13. EC Regulation on Insolvency Proceedings 2000**

For the following reason it is considered that the EC Regulation on Insolvency Proceedings 2000 will apply. If it does apply, these proceedings will be the main proceedings as defined in article 3 of the EC regulation.

The Companies' registered office is from where the Companies carry on its business. Therefore in the absence of proof to the contrary, the Companies' centre of main interests is in the United Kingdom.

#### **14. Further Information**

Should you require any further information, please do not hesitate to contact Michelle Newell on the telephone number shown at the head of this report.

Yours faithfully  
For and on behalf of  
Consolidated Vending Plc

  
T.J. Binyon  
Joint Administrator

*Licensed to act as an Insolvency Practitioner by the Association of Chartered Certified Accountants*

## Appendix 1

### Company Information

Company Name: Consolidated Vending Plc/ Kiddies Rides (UK) Limited/ Snap Digital Imaging Limited

Previous Name: None

Company Number: 05838528/ 02888861/ 03620123

Date of Incorporation: 06.06.06/ 18.01.94/ 21.08.98

Trading Address: 3 Barnes Wallis Court, Wellington Road, High Wycombe, Buckinghamshire HP12 3PR

Registered Office: Sherlock House, 73 Baker Street, London, W1U 6RD,

Principal Activity: Operation of photo coin-op. machines

### Appointment details

Date of Appointment: 1 October, 2008

Appointment made by – CV: Directors

Appointment made by – KRUK: Qualifying Floating Chargeholder

Appointment made by – Snap: Qualifying Floating Chargeholder

Court Address: High Court of Justice Chancery Division Companies Court

Court Reference: 8560/2008, 8563/2008, 8564/2008

Administrators Appointed: T J Binyon IP Number: 9285  
S J Parker IP Number: 8989

### Directors and Shareholders

Company Directors of CV: Andrew Coll, Jonathon Dowse, Renwick Haddow and Richard Steele

Company Directors of KRUK: Andrew Coll, Jonathan Dowse

Company Directors of Snap: Andrew Coll, Jonathan Dowse and Richard Steele

Company Secretary: Graham Urquhart

Shareholders of CV: As the company is AIM listed, there are in excess of 600 shareholders, which are not listed.

Shareholders of KRUK: Consolidated Vending Plc

Shareholders of Snap: Consolidated Vending Plc, On Line Formations Limited

### Charges

Debenture dated 27 June 2007 in favour of Trafalgar Capital Specialised Investment Fund

**Insolvency Act 1986**  
**Consolidated Vending Plc - In Administration**  
**Estimated Statement of Affairs as at 1 October 2008**

<b>A - SUMMARY OF ASSETS</b>	<b>Cost or Book Value £</b>	<b>Estimated Realisable Values £</b>
<b>Assets Subject to Charge</b>		
	<u>Nil</u>	<u>Nil</u>
<b>Assets Not Subject to Charge</b>		
Cash at bank	Nil	1,692
	<u>Nil</u>	<u>1,692</u>
<b>A1 - SUMMARY OF LIABILITIES</b>		
<b>ESTIMATED TOTAL ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS</b>		<u>1,692</u>
<b>PREFERENTIAL CREDITORS:-</b>		<u>Nil</u>
		<u>1,692</u>
Estimated prescribed part of net property where applicable (to carry forward)		<u>Nil</u>
		<u>1,692</u>
<b>Debts secured by floating charges</b>		
		<u>0</u>
		<u>1,692</u>
<b>Estimated prescribed part of net property where applicable (brought down) AVAILABLE FOR NON-PREFERENTIAL CREDITORS</b>		<u>Nil</u>
		<u>Nil</u>
<b>NON-PREFERENTIAL CREDITORS:-</b>		
Trade & Expense Creditors	(42,000)	<u>(42,000)</u>
Surplus/(Shortfall) to floating charge holders (brought down)		1,692
<b>ESTIMATED (DEFICIENCY)/SURPLUS AS REGARDS CREDITORS</b>		<u>(40,308)</u>
<b>ISSUED AND CALLED UP CAPITAL:-</b>		
Uncertain		Uncertain
		<u>Uncertain</u>
<b>ESTIMATED TOTAL (DEFICIENCY)/SURPLUS AS REGARDS MEMBERS</b>		<u>(40,308)</u>

1- Subject to costs of the Administration;

2- Omission from the list of creditors does not preclude creditors from claiming against the company.

**Insolvency Act 1986**  
**Kiddies Rides (UK) Limited - In Administration**  
**Estimated Statement of Affairs as at 1 October 2008**

<b>A - SUMMARY OF ASSETS</b>	<b>Cost or Book Value £</b>	<b>Estimated Realisable Values £</b>
<b>Assets Subject to Charge</b>		
Goodwill	Nil	49,996
Less: Trafalgar Capital Specialised Investment Fund	(289,059)	(289,059)
Deficiency carried down	(289,059)	<u>(239,063)</u>
<b>Assets Not Subject to Charge</b>		
Cash at bank	Nil	150,000
Records	Nil	2
Contracts	Nil	2
Plant, equipment and stock	<u>Uncertain</u>	<u>300,000</u>
	Nil	450,004
<b>A1 - SUMMARY OF LIABILITIES</b>		
<b>ESTIMATED TOTAL ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS</b>		<u>450,004</u>
<b>PREFERENTIAL CREDITORS:-</b>	(4,000)	<u>(4,000)</u>
		446,004
Estimated prescribed part of net property where applicable (to carry forward)	(113,000)	<u>(113,000)</u>
		333,004
Debts secured by floating charges		
Deficiency brought down	(239,063)	<u>(239,063)</u>
<b>AVAILABLE FOR NON PREFERENTIAL CREDITORS</b>		93,941
Estimated prescribed part of net property (brought down)		113,000
<b>NON-PREFERENTIAL CREDITORS:-</b>		
Trade & Expense Creditors	(53,000)	
Client commissions	(62,000)	
PAYE	(6,000)	
VAT	(37,500)	
Add prescribed part		<u>(158,500)</u>
<b>ESTIMATED (DEFICIENCY)/SURPLUS AS REGARDS CREDITORS</b>		48,441
<b>ISSUED AND CALLED UP CAPITAL:-</b>		
Ordinary Shareholders	(100)	<u>(100)</u>
<b>ESTIMATED TOTAL (DEFICIENCY)/SURPLUS AS REGARDS MEMBERS</b>		<u><u>48,341</u></u>

- 1- Subject to costs of the Administration;
- 2- Omission from the list of creditors does not preclude creditors from claiming against the company.
- 3- For the purposes of this estimate, the amount outstanding to the secured creditor has been apportioned in accordance with the sale proceeds in KRUUK and Snap. This amount may alter in subsequent reports.

**Insolvency Act 1986**  
**Snap Digital Imaging Limited - In Administration**  
**Estimated Statement of Affairs as at 1 October 2008**

<b>A - SUMMARY OF ASSETS</b>	<b>Cost or Book Value £</b>	<b>Estimated Realisable Values £</b>
<b>Assets Subject to Charge</b>		
Plant & equipment	Uncertain	499,996
Less: Trafalgar Capital Specialised Investment Fund	(412,941)	(412,941)
Deficiency carried down	(412,941)	<u>87,055</u>
<b>Assets Not Subject to Charge</b>		
Cash at bank	Nil	205,000
Motor vehicles	Uncertain	18,000
Book debts	58,612	29,306
Records	Nil	2
Contracts	Nil	2
	<u>58,612</u>	<u>252,310</u>
<b>A1 - SUMMARY OF LIABILITIES</b>		
<b>ESTIMATED TOTAL ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS</b>		<u>252,310</u>
<b>PREFERENTIAL CREDITORS:-</b>	(22,000)	<u>(22,000)</u>
		230,310
Estimated prescribed part of net property where applicable (to carry forward)	(33,462)	<u>(33,462)</u>
		196,848
Debts secured by floating charges		
Surplus/ (Deficiency) brought down	87,055	<u>87,055</u>
		283,903
<b>AVAILABLE FOR NON-PREFERENTIAL CREDITORS</b>		283,903
Estimated prescribed part of net property (brought down)		33,462
<b>NON-PREFERENTIAL CREDITORS:-</b>		
Trade & Expense Creditors	(100,000)	
Client commissions	(119,000)	
PAYE	(40,000)	
VAT	(37,500)	
		<u>(296,500)</u>
<b>ESTIMATED (DEFICIENCY)/SURPLUS AS REGARDS CREDITORS</b>		20,865
<b>ISSUED AND CALLED UP CAPITAL:-</b>		
Ordinary Shareholders	(110,671)	<u>(110,671)</u>
<b>ESTIMATED TOTAL (DEFICIENCY)/SURPLUS AS REGARDS MEMBERS</b>		<u>(89,806)</u>

- 1- Subject to costs of the Administration;
- 2- Omission from the list of creditors does not preclude creditors from claiming against the company.
- 3- For the purposes of this estimate, the amount outstanding to the secured creditor has been apportioned in accordance with the sale proceeds in KRUK and Snap. This amount may alter in subsequent reports.

## Office Holder Remuneration

## Appendix 3

Case Name	Consolidated Vending Plc/Kiddies Rides (UK) Limited/Snap Digital Imaging Limited	
Court	High Court of Justice Chancery Division Companies Court	
Court reference	8560/2008, 8563/2008 and 8564/2008	
Office Holders	T J Binyon	IP Number: 9285
	S J Parker	IP Number: 8989
Firm	Tenon Recovery	
Address	Sherlock House, 73 Baker Street, London, W1U 6RD	
Type of Appointment	Administration	
Date of Appointment	1 October 2008	

### 1. Overview of Case

#### 1.1. Appointment

I was appointed Joint Administrator over Kiddies Rides (UK) Limited and Snap Digital Imaging Limited on 1 October 2008 following an application by the Qualifying Floating Chargeholder. I was appointed Joint Administrator over Consolidated Vending Plc on 1 October 2008 following an application by the Directors.

#### 1.2. Strategy

Please see main body of this report.

#### 1.3. Staffing

Various levels of staff assisted with the administrations, although my manager and assistant dealt with the general day to day running of the administrations.

#### 1.4. Existing fee arrangements

There is no existing fee arrangement in place, however, I am seeking agreement of my remuneration from the unsecured creditors pursuant to Rule 2.67(1)(c) and Rule 2.106.

#### 1.5. Anticipated return to creditors

On present estimates, it is anticipated that the secured creditor and the preferential creditors, should receive payment in full, dependent on the level of their final claim in the administration.

As the secured creditor's charge was dated post the Enterprise Act 2002, the Administrators are required to keep a portion of floating charge funds available for the unsecured creditors. Unsecured creditors therefore are likely to receive a small distribution in respect of the prescribed part.

## **2. Explanation of office-holders charging and disbursement recovery policies**

### **2.1. Time recording**

Time properly incurred on cases is charged to the assignment at the hourly rate prevailing at the time. The current hourly charge out rates are outlined below:

	£
Director and licensed Insolvency Practitioner	475
Associate Director	380
Senior Manager	335
Manager	285 to 335
Other Senior Staff	230
Assistants and Support Staff	120 to 195

### **2.2. Disbursement recovery**

Certain costs may be incurred in relation to a case and in the first instance, paid by Tenon Recovery, and then recharged to the case. The amount recharged is the exact amount incurred. Examples are statutory bond, statutory advertising, land registry searches, insurance, travel and subsistence, archiving and storage costs.

Other costs which may be charged to the case are room hire for meetings held at the offices of Tenon Recovery and the cost of sending out reports to creditors, if material. The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.

The current level of costs recharged are detailed below:

Room hire	£60.00
Envelope	4.2p
Paper (photocopies per sheet)	7p
Postage (depending on size and weight)	At cost
Storage of archive box for one month	32p
Travel (per mile)	40p

## **3. Description of work carried out**

Section 4 of this appendix outlines the time costs to date in relation to activities undertaken during this matter. These matters can be summarised as follows:

### **3.1. Pre-appointment**

Time spent in this category comprises the activities required to obtain an Administration Order.

### **3.2. 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 case files;
- > Reviewing available information to determine appropriate strategy;



- > Setting up and maintaining bank accounts.

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

### **3.3. Realisation of assets**

Staff at various levels assisted in the sale negotiations, and ultimately the sale of the businesses and assets to the two purchasers.

### **3.4. Trading**

The businesses continued to trade for approximately one month whilst a buyer for the business was sought. By trading the Group in administration, the goodwill of the company was maintained, as well as preserving the £20million contract, and therefore a greater realisation value for the assets was achieved.

Trading activities included;

- > Planning appropriate trading strategy;
- > Liaison with employees;
- > Dealing with suppliers;
- > Contact and negotiation with customers;
- > Authorisation of commitments;
- > Review of trading position;
- > Paying suppliers.

Staff were chosen depending upon the appropriate level of experience required for the activity they were required to undertake.

### **3.5. Creditors**

The time spent includes the following matters

- > Recording and maintaining the list of creditors;
- > Dealing with employee related matters;
- > Dealing with reservation of title claims;
- > Recording creditor claims
- > Reporting to creditors;
- > Meetings with secured creditor;
- > Dealing with creditor queries;
- > Reviewing and evaluating creditor claims.

#### 4. Time and chargeout summary

##### Consolidated Vending Plc SIP 9 Summary

To date a total of 112.7 hours have been spent at an average charge out rate of £260.10 bringing the total costs to date to £29,312.97 of which £1,855 relates to pre-appointment time costs, and £27,457.97 is post-appointment time costs. No time costs have been taken to date.

A summary table is shown below:

Classification of work function	Insolvency Practitioner/ Director/ Associate Director	Manager	Hours Other senior professionals	Assistants and support staff	Total	Time cost £	Average Hourly rate £
Pre-appointment	0.0	2.0	0.0	9.5	11.5	1,855.00	161.00
Administration and Planning	4.0	4.0	2.9	16.9	27.8	6,103.97	220.00
Investigations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Realisation of assets	0.0	16.0	7.3	1.9	25.2	6,740.00	267.00
Trading	16.5	3.3	0.6	9.4	29.8	9,639.00	323.00
Creditors	1.0	10.5	4.3	2.7	18.5	4,975.00	269.00
Total hours	21.5	35.8	15.1	40.4	112.8	29,312.97	260.00
Total fees claimed £							

The above costs exclude VAT.

##### KRUK Limited SIP 9 Summary

To date a total of 174.97 hours have been spent at an average charge out rate of £220.68 bringing the total costs to date to £38,612.50 of which £832 relates to pre-appointment time costs, and £37,781.00 is post-appointment time costs. No time costs have been taken to date.

A summary table is shown below:

Classification of work function	Insolvency Practitioner/ Director/ Associate Director	Manager	Hours Other senior professionals	Assistants and support staff	Total	Time cost £	Average Hourly rate £
Pre-appointment	0.0	0.0	0.0	6.4	6.4	832.00	130.00
Administration and Planning	4.0	1.5	1.7	12.8	20.0	4,815.50	241.00
Investigations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Realisation of assets	0.0	24.5	4.6	4.5	33.6	9,158.00	273.00
Trading	1.0	25.8	7.2	74.2	108.1	19,672.00	182.00
Creditors	0.0	9.8	2.0	4.8	6.8	4,135.00	608.00
Total hours	5.0	61.6	15.5	102.7	174.9	38,612.50	221.00
Total fees claimed £							

The above costs exclude VAT.

## Snap Digital Imaging Limited SIP 9 Summary

To date a total of 253.77 hours have been spent at an average charge out rate of £202.71 bringing the total costs to date to £51,441.50 of which £637 relates to pre-appointment time costs, and £50,804.50 is post-appointment time costs. No time costs have been taken to date.

A summary table is shown below:

Classification of work function	Insolvency Practitioner/ Director/ Associate Director	Manager	Hours Other senior professionals	Assistants and support staff	Total	Time cost £	Average Hourly rate £
Pre-appointment	0.0	0.0	0.0	4.9	4.9	637.00	130.00
Administration and Planning	8.5	1.5	1.1	16.3	27.4	6,937.50	253.00
Investigations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Realisation of assets	0.0	32.5	4.6	5.1	42.2	11,725.00	278.00
Trading	5.0	24.2	7.4	113.0	149.6	26,152.50	175.00
Creditors	0.0	9.0	5.5	15.1	29.6	5,989.50	202.00
Total hours	13.5	67.2	18.6	154.4	253.7	51,441.50	203.00
Total fees claimed £							

The above costs exclude VAT.

## Disbursements

### 4.1. Category 1

Category 1 disbursements incurred are outlined below:

	Incurred £	Paid £
Statutory advertising (£265.32 per company)	795.96	0.00
Total	795.96	0.00

The above costs exclude VAT.

### 4.2. Category 2 disbursements

No Category 2 disbursements have been charged to this matter.

CONSOLIDATED VENDING PLC - IN ADMINISTRATION

Appendix 4

SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS  
FROM 1 OCTOBER 2008 (DATE OF APPOINTMENT) TO 24 NOVEMBER 2008

	Note	Total Receipts/ Payments To Date
<b>FLOATING CHARGE RECEIPTS</b>		<b>£</b>
Insurance Refund		500
Cash at bank		1,693
		<u>2,193</u>
<b>FLOATING CHARGE PAYMENTS</b>		<b>£</b>
Congestion Charge		120
Parking Fine		70
		<u>190</u>
<b>Balance in Hand</b>	<b>1</b>	<u>2,003</u>
		<u><u>2,003</u></u>

Notes

- 1 The balance of funds shown is held on an interest bearing current account held at Bank of Ireland.
- 2 The above statement is shown exclusive of VAT.
- 3 This summary should be read in conjunction with the joint administrators' report dated 24 November 2008.

**T J Binyon & S J Parker**  
Joint Administrators  
24 November 2008

**SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS  
FROM 1 OCTOBER 2008 (DATE OF APPOINTMENT) TO 24 NOVEMBER 2008**

	Note	Estimated Receipts/ Payments Statement	Total Receipts/ Payments To Date
<b>FIXED CHARGE RECEIPTS</b>		£	£
Goodwill		49,998	49,998
		<u>49,998</u>	<u>49,998</u>
<b>FIXED CHARGE PAYMENTS</b>	1		£
Office Holders' Fees			Nil
			<u>Nil</u>
<b>FIXED CHARGE DISTRIBUTIONS</b>			Nil
			<u>Nil</u>
<b>Balance (Receipts Less Payments)</b>	1		49,998
			<u>49,998</u>

<b>FLOATING CHARGE RECEIPTS</b>		£
Bank Interest		400
Cash at bank		249,752
Contracts		1
Plant & Machinery		300,000
Records		1
Sales		226,356
VAT Receivable		79
		<u>776,589</u>
<b>FLOATING CHARGE PAYMENTS</b>		£
Bank charges		315
Carriage		63
Employee expenses		3,461
Employee wages		7,396
Legal fees		4,575
Management fee		1,000
Pension		183
Rents		1,667
Sales commission		1,909
Storage		817
Sundry expenses		225
Transfer to Snap Digital Imaging Limited - In Administration		156,000
VAT receivable		1,920
Vehicle running costs		284
		<u>179,795</u>
<b>Balance In Hand</b>	1	596,794
		<u>646,792</u>

**Notes**

- 1 The balance of funds shown is held on an interest bearing current account held at Bank of Ireland.
- 2 The above statement is shown exclusive of VAT.
- 3 This summary should be read in conjunction with the joint administrators' report dated 24 November 2008.
- 4 A reconciliation exercise will be undertaken shortly between the cash at bank figure and Administrators' sales, and therefore there is the possibility of some movement between these figures.

T J Binyon & S J Parker  
Joint Administrators  
24 November 2008

**SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS  
FROM 1 OCTOBER 2008 (DATE OF APPOINTMENT) TO 24 NOVEMBER 2008**

	Notes	Estimated Receipts/ Payments Statement of Affairs	Total Receipts/ Payments To Date
<b>FIXED CHARGE RECEIPTS</b>		£	£
Plant & Machinery		499,996	499,996
		<u>499,996</u>	<u>499,996</u>
<b>FIXED CHARGE PAYMENTS</b>	1		£
Office Holders' Fees			Nil
			<u>Nil</u>
<b>FIXED CHARGE DISTRIBUTIONS</b>			
Trafalgar Capital Specialised Investment Fund			225,000
			<u>225,000</u>
<b>Balance (Receipts Less Payments)</b>	1		274,996
			<u>499,996</u>

<b>FLOATING CHARGE RECEIPTS</b>		£	£
Bank Interest		Nil	170
Cash at bank		104,652	104,652
Contracts		2	2
Council tax refund		Nil	1,511
Rates refund		Nil	67
Records		2	2
Sales		Nil	159,888
VAT Payable		Nil	85
		<u>104,656</u>	<u>266,377</u>
<b>FLOATING CHARGE PAYMENTS</b>			£
Bank charges			1,764
Cash counting services			2,289
Consultancy Services			2,935
Council Rates			32
Employee expenses			18,220
Employee wages			44,371
Legal fees			810
Pension			4,211
Photobooth Rates			108
Photobooth Rent			1,099
Ransom payment			155,337
Statutory Sick Pay			226
Telephone			850
Transfer to Kiddies Rides (UK) Limited - In Administration			2,500
VAT receivable			29,025
			<u>263,777</u>
<b>Balance In Hand</b>	1		2,600
			<u>266,377</u>

**Notes**

- 1 The balance of funds shown is held on an interest bearing current account held at Bank of Ireland.
- 2 The above statement is shown exclusive of VAT.
- 3 This summary should be read in conjunction with the joint administrators' report dated 24 November 2008.
- 4 A reconciliation exercise will be undertaken shortly between the cash at bank figure and Administrators' sales, and therefore there is the possibility of some movement between these figures.

**T J Binyon & S J Parker**  
Joint Administrators  
24 November 2008

## CREDITORS QUESTIONNAIRE

## INVESTIGATION INTO THE AFFAIRS OF

CONSOLIDATED VENDING PLC/ KIDDIES RIDES (UK) LIMITED/ SNAP DIGITAL  
IMAGING LIMITED (N.B.PLEASE DELETE TO HIGHLIGHT WHICH COMPANY YOU  
ARE A CREDITOR OF)

## IN ADMINISTRATION

Creditor's name and address	
1 Estimated Claim	
2 If the estimated claim exceeds the credit limit, on what basis or terms was the additional credit allowed?	
3	Please provide details of any comfort, security or assurance given to you to allow continuance of credit.
4	When were you first aware that there were difficulties in getting payment and what was the evidence of this? e.g. extended credit, lump sum payments, dishonoured cheques.

**Insolvency Act 1986**  
**Proxy (Administration)**
**Consolidated Vending Plc**  
**In Administration**

Name of Creditor \_\_\_\_\_

Address \_\_\_\_\_

Name of Proxy Holder

Please insert name of person (who must be 18 or over) or the Chairman of the Meeting. If you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well

1 \_\_\_\_\_

2 \_\_\_\_\_

3 \_\_\_\_\_

Please delete words in brackets if the proxy holder is only to vote as directed i.e. he has no discretion

I appoint the above person to be my/the creditor's proxy holder at the meeting of creditors to be held on 10 December 2008 at 11.00am, or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion).

## Voting Instructions for resolutions

## For Against

\*Please tick as appropriate

1. For the acceptance of the Joint Administrators' proposals/revised proposals as circulated (excluding paragraph (e) as covered in resolution 3 and paragraphs (g) to (j) as covered by resolution 2 below).

☐☐

2. For the acceptance of the Joint Administrators' proposals relating to remuneration and disbursements as outlined in paragraphs (g) to (j).

☐

3. That upon the Company either proceeding into Liquidation or dissolution, the Joint Administrators discharge from liability, pursuant to paragraph 98 of Schedule B1 shall take effect 14 days following either the Company entering into liquidation or filing the notice of moving from Administration to dissolution.

4. For the appointment of \_\_\_\_\_ (name)  
 of \_\_\_\_\_ (firm)

as liquidator of the company.

CONTINUED ON NEXT PAGE



**Consolidated Vending Plc**  
**In Administration**

5. If you wish to appoint a member of the creditors committee, please complete the following:-

For the Appointment of \_\_\_\_\_ (name of individual)  
of \_\_\_\_\_ (company/organisation name)  
representing \_\_\_\_\_ (name of creditor)  
as a member of the creditors committee.

**This form must be  
signed**

**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**Name in CAPITAL LETTERS** \_\_\_\_\_

**Only to be completed if  
the creditor has not  
signed in person**

**Position with creditor or relationship to creditor or other authority for signature**  
\_\_\_\_\_  
\_\_\_\_\_

**Kiddies Rides (UK) Limited**  
In Administration

Name of Creditor \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

Name of Proxy Holder

Please insert name of person (who must be 18 or over) or the Chairman of the Meeting. If you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well

1 \_\_\_\_\_

2 \_\_\_\_\_

3 \_\_\_\_\_

Please delete words in brackets if the proxy holder is only to vote as directed i.e. he has no discretion

I appoint the above person to be my/the creditor's proxy holder at the meeting of creditors to be held on 10 December 2008 at 11.00am, or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion).

## Voting Instructions for resolutions

## For Against

\*Please tick as appropriate

1. For the acceptance of the Joint Administrators' proposals/revised proposals as circulated (excluding paragraph (e) as covered in resolution 3 and paragraphs (g) to (j) as covered by resolution 2 below).

☐☐

2. For the acceptance of the Joint Administrators' proposals relating to remuneration and disbursements as outlined in paragraphs (g) to (j).

☐

3. That upon the Company either proceeding into Liquidation or dissolution, the Joint Administrators discharge from liability, pursuant to paragraph 98 of Schedule B1 shall take effect 14 days following either the Company entering into liquidation or filing the notice of moving from Administration to dissolution.

4. For the appointment of \_\_\_\_\_ (name)  
of \_\_\_\_\_ (firm)

as liquidator of the company.

CONTINUED ON NEXT PAGE

**Kiddies Rides (UK) Limited**  
In Administration

5. If you wish to appoint a member of the creditors committee, please complete the following:-

For the Appointment of \_\_\_\_\_ (name of individual)  
of \_\_\_\_\_ (company/organisation name)  
representing \_\_\_\_\_ (name of creditor)  
as a member of the creditors committee.

**This form must be  
signed**

**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**Name in CAPITAL LETTERS** \_\_\_\_\_

Only to be completed if  
the creditor has not  
signed in person

**Position with creditor or relationship to creditor or other authority for signature**  
\_\_\_\_\_  
\_\_\_\_\_

**Snap Digital Imaging Limited**  
In Administration

Name of Creditor \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

Name of Proxy Holder

Please insert name of person (who must be 18 or over) or the Chairman of the Meeting. If you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well

1 \_\_\_\_\_

2 \_\_\_\_\_

3 \_\_\_\_\_

Please delete words in brackets if the proxy holder is only to vote as directed i.e. he has no discretion

I appoint the above person to be my/the creditor's proxy holder at the meeting of creditors to be held on 10 December 2008 at 11.00am, or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion).

## Voting Instructions for resolutions

For Against

\*Please tick as appropriate

1. For the acceptance of the Joint Administrators' proposals/revised proposals as circulated (excluding paragraph (e) as covered in resolution 3 and paragraphs (g) to (j) as covered by resolution 2 below).

☐ ☐☐ ☐

2. For the acceptance of the Joint Administrators' proposals relating to remuneration and disbursements as outlined in paragraphs (g) to (j).

☐ ☐

3. That upon the Company either proceeding into Liquidation or dissolution, the Joint Administrators discharge from liability, pursuant to paragraph 98 of Schedule B1 shall take effect 14 days following either the Company entering into liquidation or filing the notice of moving from Administration to dissolution.

4. For the appointment of \_\_\_\_\_ (name)

of \_\_\_\_\_ (firm)

as liquidator of the company.

CONTINUED ON NEXT PAGE

**Snap Digital Imaging Limited**  
In Administration

5. If you wish to appoint a member of the creditors committee, please complete the following:-

For the Appointment of \_\_\_\_\_ (name of individual)  
of \_\_\_\_\_ (company/organisation name)  
representing \_\_\_\_\_ (name of creditor)  
as a member of the creditors committee.

**This form must be  
signed**

**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**Name in CAPITAL LETTERS** \_\_\_\_\_

Only to be completed if  
the creditor has not  
signed in person

**Position with creditor or relationship to creditor or other authority for signature**  
\_\_\_\_\_  
\_\_\_\_\_

**Rule 2.72****PROOF OF DEBT - GENERAL FORM**

**In the matter of Consolidated Vending Plc  
In Administration  
and in the matter of The Insolvency Act 1986**

Appointment Date – 1 October, 2008

1.	Name of Creditor	
2.	Address of Creditor	
3.	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4.	Details of any document by reference to which the debt can be substantiated. [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5.	If the total amount shown above includes Value Added Tax, please show:-  (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6.	If total amount above includes outstanding uncapitalised interest please state amount	£
7.	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8.	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category  Amount(s) claimed as preferential £
9.	Particulars of how and when debt incurred.	
10.	Particulars of any security held, the value of the security, and the date it was given	£
11.	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	
	Date:	

**Rule 2.72****PROOF OF DEBT - GENERAL FORM**

**In the matter of Kiddies Rides (UK) Limited  
In Administration  
and in the matter of The Insolvency Act 1986**

Appointment Date – 1 October, 2008

1.	Name of Creditor	
2.	Address of Creditor	
3.	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4.	Details of any document by reference to which the debt can be substantiated. [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5.	If the total amount shown above includes Value Added Tax, please show:-  (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6.	If total amount above includes outstanding uncapitalised interest please state amount	£
7.	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8.	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category  Amount(s) claimed as preferential £
9.	Particulars of how and when debt incurred.	
10.	Particulars of any security held, the value of the security, and the date it was given	£
11.	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	
	Date:	

**Rule 2.72****PROOF OF DEBT - GENERAL FORM**

**In the matter of Snap Digital Imaging Limited  
In Administration  
and in the matter of The Insolvency Act 1986**

Appointment Date – 1 October, 2008

1.	Name of Creditor	
2.	Address of Creditor	
3.	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4.	Details of any document by reference to which the debt can be substantiated. [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5.	If the total amount shown above includes Value Added Tax, please show:-  (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6.	If total amount above includes outstanding uncapitalised interest please state amount	£
7.	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8.	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category  Amount(s) claimed as preferential £
9.	Particulars of how and when debt incurred.	
10.	Particulars of any security held, the value of the security, and the date it was given	£
11.	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	
	Date:	



## A CREDITORS' GUIDE TO ADMINISTRATORS' FEES

Where Petition Presented or Appointment Made On or After 15 September 2003

### 1. Introduction

1.1. When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees and explains the basis on which fees are fixed.

### 2. The nature of administration

2.1. Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:

- >rescuing the company as a going concern, or
- >achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration, or, if the administrator thinks neither of these objectives is reasonably practicable
- >realising property in order to make a distribution to secured or preferential creditors.

### 3. The creditors' committee

3.1. The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is normally established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide information about the exercise of his functions.

### 4. Fixing the administrator's fees

4.1. The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed either:

- >as a percentage of the value of the property which the administrator has to deal with, or
- >by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration.

It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed, and if it is fixed as a percentage fix the percentage to be applied. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters:

- >the complexity (or otherwise) of the case;
- >any responsibility of an exceptional kind or degree which falls on the administrator;
- >the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties;
- >the value and nature of the property which the administrator has to deal with.

4.2. If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as the committee would. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator.

4.3. There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets.

In this case, if there is no creditors' committee, or the committee does not make the requisite determination, the remuneration may be fixed by the approval of

- >each secured creditor of the company; or
- >if the administrator has made or intends to make a distribution to preferential creditors
  - >each secured creditor of the company; and
  - >preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval,

having regard to the same matters as the committee would.

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company.

4.4. A resolution of creditors may be obtained by correspondence.

### 5. What information should be provided by the administrator?

#### 5.1. When seeking fee approval

5.1.1. When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on:

- >the nature of the approval being sought;
- >the stage during the administration of the case at which it is being sought; and
- >the size and complexity of the case.

5.1.2. Where, at any creditors' or committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

5.1.3. Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above.

To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent:

- >Administration and planning
- >Investigations
- >Realisation of assets
- >Trading
- >Creditors
- >Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff:

- >Partner
- >Manager
- >Other senior professionals
- >Assistants and support staff

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the administrator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain:

- >Any significant aspects of the case, particularly those that affect the amount of time spent.
- >The reasons for subsequent changes in strategy.
- >Any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make.
- >The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement.
- >Any existing agreement about fees.
- >Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees.

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

5.1.4. Where the fee is charged on a percentage basis the administrator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by an administrator or his staff.

5.2. After fee approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the administrator should specify the amount of remuneration he has drawn in accordance with the resolution. Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 5.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 5.1.4 above regarding work which has been sub-contracted out.

## 5.3. Expenses and disbursements

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements. However, professional guidance issued to insolvency practitioners requires that, where the administrator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the administrator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

## 6. What if a creditor is dissatisfied?

6.1. If a creditor believes that the administrator's remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the court for an order that it be reduced. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing. Unless the court orders otherwise, the costs must be paid by the applicant and not as an expense of the administration.

## 7. What if the administrator is dissatisfied?

7.1. If the administrator considers that the remuneration fixed by the creditors' committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient, he may apply to the court for it to be increased. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

## 8. Other matters relating to fees

8.1. Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.

8.2. If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.

## 9. Provision of information – additional requirements

In any case where the administrator is appointed on or after 1 April 2005 he must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company.

The information which must be provided is –

- >the total number of hours spent on the case by the administrator or staff assigned to the case;
- >for each grade of staff, the average hourly rate at which they are charged out;
- >the number of hours spent by each grade of staff in the relevant period.

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment, or where he has vacated office, the date that he vacated office.

The information must be provided within 28 days of receipt of the request by the administrator, and requests must be made within two years from vacation of office.

## 10. Tenon Recovery's remuneration and disbursement policy

### 10.1. Remuneration

10.1.1. Time properly incurred on cases is charged to the assignment at the hourly rate prevailing at the time. The current hourly charge out rates are outlined below:

	£
Director and licensed Insolvency Practitioner	475
Associate Director	380
Senior Manager	335
Manager	285 - 335
Senior Administrator	230
Assistants and other support staff	120 - 195

Secretarial and support staff are not charged to the cases concerned, being accounted for as an overhead of Tenon Recovery.

### 10.2. Basis of Charging Disbursements and Expenses

10.2.1. Certain costs may be incurred in relation to a case and in the first instance, paid by Tenon Recovery, and then recharged to the case. The amount recharged is the exact amount incurred. Examples are statutory bond, statutory advertising, land registry searches, insurance, travel and subsistence, archiving and storage costs.

10.2.2. Other costs which may be charged to the case are room hire for meetings held at the offices of Tenon Recovery and the cost of sending out reports to creditors, if material. The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.

10.2.3. The current level of costs recharged are detailed below:

Room hire	£60.00
Envelope	4.2p
Paper (photocopies per sheet)	7p
Postage (depending on size and weight)	At cost
Storage of archive box for one month	32p
Travel (per mile)	40p