

# AM10

## Notice of administrator's progress report



Companies House

TUESDAY



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A17

04/08/2020

#195

COMPANIES HOUSE

### 1 Company details

Company number 0 6 5 9 5 7 2 6

Company name in full Noorani & Son Limited

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

### 2 Administrator's name

Full forename(s) Christopher

Surname Latos

### 3 Administrator's address

Building name/number 44-46 Old Steine

Street Brighton

Post town BN1 1NH

County/Region

Postcode

Country

### 4 Administrator's name ①

Full forename(s) Susan

Surname Maund

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

### 5 Administrator's address ②

Building name/number 44-46 Old Steine

Street Brighton

Post town BN1 1NH

County/Region

Postcode

Country

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

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	d	1	d	3	m	1	m	2	y	2	y	0	y	1	y	9
To date	d	1	d	2	m	0	m	6	y	2	y	0	y	2	y	0

### 7 Progress report

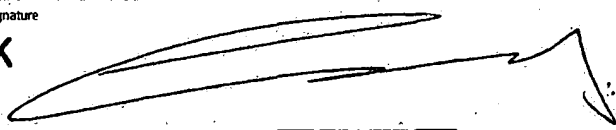
☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date	d	1	d	0	m	0	m	7	y	2	y	0	y	2	y	0
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AM10

Notice of administrator's progress report



**Presenter information**

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

Contact name	Jamie Pain
Company name	White Maund
Address	44-46 Old Steine Brighton
Post town	BN1 1NH
County/Region	
Postcode	
Country	
DX	info@whitemaund.co.uk
Telephone	01273 731144



**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



**Important information**

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



**Where to send**

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

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



**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

# **Joint Administrators' Progress Report**

**Noorani & Son Limited Trading as Northlands Pharmacy  
- In Administration**

**10 July 2020**

## **NOORANI & SON LIMITED - IN ADMINISTRATION**

### **CONTENTS**

- 1 Introduction**
- 2 Progress of the Administration**
- 3 Pre-administration Costs**
- 4 Joint Administrators Remuneration**
- 5 Estimated Outcome for Creditors**
- 6 Ending the Administration**
- 7 Creditors' Rights**
- 8 Next Report**

### **APPENDICES**

- A Joint Administrators' Summary of Receipts and Payments**
- B Time Analysis for the period 13 December 2019 to 12 June 2020**
- C Additional Information in Relation to the Joint Administrators' Fees, Expenses & Disbursements**

## **NOORANI & SON LIMITED - IN ADMINISTRATION**

### **THE JOINT ADMINISTRATORS' PROGRESS REPORT**

#### **1 Introduction**

- 1.1 I, together with my colleague Susan Maund, was appointed Joint Administrator of Noorani & Son Limited ("the Company") on 13 December 2019. The appointment was made by Santander UK Plc, 2 Triton Square, Regent's Place, London, NW1 3AN.
- 1.2 This Administration is being handled by White Maund at 44-46 Old Steine, Brighton, BN1 1NH. The Joint Administrators' contact details are by phone on 01273 731144 or via email at [info@whitemaund.co.uk](mailto:info@whitemaund.co.uk). The Administration is registered in the High Court of Justice, reference number 008377 of 2019.
- 1.3 Information about the way that we will use, and store personal data on insolvency appointments can be found at <https://www.whitemaund.co.uk/wp-content/uploads/2018/07/WM-Privacy-Policy.pdf>. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.4 The trading address of the Company is 30-32 North Street, Calne, Calne, SN11 0HH. The business trades under the name Northlands Pharmacy.
- 1.5 The registered office of the Company is White Maund, 44-46 Old Steine, Brighton, East Sussex, BN1 1NH and its registered number 06595726.
- 1.6 As Joint Administrator, I am required to provide a progress report covering the period of six months commencing from the date the Company entered Administration and every subsequent period of six months. This progress report covers the period from 13 December 2019 to 12 June 2020 ("the Period") and should be read in conjunction with my earlier proposals report.

#### **2 Progress of the Administration**

- 2.1 You may recall that the statutory objective being pursued in the Administration was realising property to make a distribution to the secured creditor. Unfortunately in this case there will not be a return to unsecured creditors. In addition to the pursuance of this statutory objective, the Joint Administrators have duties imposed by insolvency and other legislation, some of which may not provide any financial benefit to creditors.
- 2.2 This section of the report provides creditors with an update on the progress made in the Period, both in terms of the achievement of the statutory objective, but also work which is required of the Joint Administrators under other related legislation.
- 2.3 At Appendix A is my Receipts and Payments Account covering the period of this report.
- 2.4 Attached at Appendix B is a time analysis outlining the time spent by the Joint Administrators and their staff during the Period.
- 2.5 Further information about the basis of remuneration agreed in this case and the Joint Administrators' fees estimate can be found in section 4 of this report, together with any relevant information about revisions to my initial estimate, where applicable.

#### ***Administration (including statutory compliance & reporting)***

- 2.6 As noted above, the Joint Administrators must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work that I anticipated would need to be done in this area was outlined in my initial fees estimate/information.
- 2.7 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated,

## **NOORANI & SON LIMITED - IN ADMINISTRATION**

possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Administrators.

- 2.8 This work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

### ***Trading***

- 2.9 As detailed in my Proposal and in order to protect the value of the goodwill being the NHSE pharmacy contract, a period of continued trading was required. The strategy was to trade the pharmacy from a commercial, financial and compliance perspective until the end of February 2020 when it was expected that a buyer would take on the responsibility of trading the pharmacy.
- 2.10 As detailed later, this strategy was successful and the purchaser started operating the business on 1 March 2020 under a management agreement and licence to occupy the pharmacy premises. The attached receipts and payments account details a cash loss of £180k for the trading period. This needs to be reduced due to an increase in the stock holding of £30k. Therefore at this stage the cash trading loss has increased from £68k to £130k due to increased costs of locum cover (pharmacists and dispensers) and increased supplier costs to meet patient demand for medicine.
- 2.11 Due to the underperformance prior to administration additional resources were required to operate the pharmacy in a safe manner and to meet the requirements of NHSE, otherwise the value of the pharmacy contract could have been lost.
- 2.12 Funding of £350k was provided by Santander of which £300k has been repaid as at the time of this report. The balance is expected to be repaid once HMRC release the VAT refund due for the post appointment period in the region of £63k.
- 2.13 AAH Pharmaceuticals Ltd ('AAH') attended site on 16 December to identify stock subject to its retention of title claim in the region of £17k which is still in the process of being reviewed.
- 2.14 The Joint Administrators have incurred substantial time in planning, monitoring and supporting the trading process from a commercial, financial and compliance perspective.

### ***Realisation of assets***

- 2.15 The anticipated assets realisations have not materially changed since those reported in my Proposals.

### ***Pharmacy at Northlands***

- 2.16 I am pleased to report that in accordance with the strategy detailed in my Proposal, exchange of contracts for the disposal of the pharmacy contract took place on 1 March 2020. The purchaser is Novuspharma (UK) Ltd which is part of the Michael Franklin Chemists group.
- 2.17 A sizeable deposit was paid on exchange of contracts with completion being conditional upon successful Change of Ownership approval from NHSE and the landlord agreeing to an assignment of the lease from the Company to the purchaser.
- 2.18 I have received confirmation from the landlord that a solicitor has been instructed to deal with the assignment.
- 2.19 The Change of Ownership application has been delayed due to the COVID-19 pandemic as NHSE closed their online portal for submission of applications. The purchaser expects the process to now be expedited and expects to be in a position to complete the sale before the end of August 2020.
- 2.20 The sale price is £675k (non-vatable as a sale as a going concern) as detailed in the Proposals plus stock at valuation.

## **NOORANI & SON LIMITED - IN ADMINISTRATION**

- 2.21 Please note that as the Company created the goodwill associated with the business there is no base cost and therefore corporation tax on the gain of £675k is likely to arise in the region of £128k. The Insolvency legislation defines the tax on the capital gain as a cost of realisation ranking below all other costs but before any return to creditors. Therefore, as this expense is not expected to be paid, unfortunately no funds will be available to unsecured creditors.

### **NHS Debtor**

- 2.22 Debtor amounts were due to the Company from the PPD in relation to prescriptions dispensed prior to my appointment.
- 2.23 A further £8k has been received since my Proposals were circulated resulting in debtor realisations of £142k (inclusive of the cash at bank received of £107k). No further NHS debtor realisations are expected.

### **Stock**

- 2.24 The Company also has stock in trade which was professionally valued at £81.7k as part of the process of entering into the management agreement. These funds have been received in full from the purchaser. As detailed above AAH have submitted a ROT claim and this has been estimated at £17k but is subject to formal agreement.
- 2.25 It is considered that the work the Joint Administrators and their staff have undertaken to date will bring a financial benefit to creditors. This will be a distribution to secured creditors of the Company only, unfortunately due to realisations and the extent of 3<sup>rd</sup> party security, where will be no distribution to the preferential and unsecured creditors of the Company.

### **Creditors (claims and distributions)**

- 2.26 Further information on the anticipated outcome for creditors in this case can be found at section 5 of this report. The Administrators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 2.27 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal. As all employees are expected to TUPE to the purchaser no preferential creditors' claims are envisaged.
- 2.28 The above work will not necessarily bring any financial benefit to creditors generally, however the Administrators are required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Joint Administrators in dealing with those claims.

### **Investigations**

- 2.29 Some of the work the Joint Administrators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 ("CDDA 1986") and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Joint Administrators can pursue for the benefit of creditors.
- 2.30 I can confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents.



## **NOORANI & SON LIMITED - IN ADMINISTRATION**

- 2.31 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors as a response to my request to complete an investigation questionnaire.
- 2.32 I reviewed the Company's electronic books and records and I have reviewed the Company's bank statements. My analysis detailed that since the last year end accounts to 31 July 2018 Divyesh Patel (a director) withdrew £67k and repaid £30k leaving a balance of £37k that was withdrawn. The withdrawals have been explained as fees for acting as responsible pharmacist and appear to be reasonable and in line with market conditions and withdrawn at a time when creditors appear to be being paid to terms. I do not expect any recovery to creditors to be made from this source.
- 2.33 There are also numerous transactions with Nilesh Patel (a director) and companies associated with him coming into and out of the bank account. Nilesh Patel believes he is owed money by the Company for support provided to the Company prior to my appointment. My enquires are not yet complete. I will report to creditors on the outcome with my next report.

### **What remains to be done in the Administration**

- 2.34 Completion of the sale subject to NHSE and Landlord approval.
- 2.35 Finalisation of trading figures and reconciliation with the purchaser under the management agreement in relation to receipt of funds and payments made on behalf of the purchaser.
- 2.36 Collection of VAT refund due in Administration period of circa £63k from HMRC.
- 2.37 Repayment of trading funding to Santander of £50,000.
- 2.38 Agreement of Administrators' fees with Santander.
- 2.39 Acceptance or rejection of AAH ROT claim.
- 2.40 Distribution to Santander under the terms of its fixed charge.
- 2.41 Payment of any outstanding trading costs or administration expenses.
- 2.42 Finalisation of enquiries in relation to funds flowing from and to Nilesh Patel.
- 2.43 Final report to creditors and dissolution of the Company, subject to the sale being completed prior to the anniversary of the administration appointment otherwise seeking an extension to the term of the administration.

### **3 Pre-administration Costs**

- 3.1 I confirm that although pre-administration costs were incurred, the Joint Administrators are not proposing to charge pre-administration costs in this case nor have they received payment by the Company prior to appointment.

### **4 Joint Administrators' Remuneration**

- 4.1 As unsecured creditors are not anticipated to receive a dividend, I will agree the basis of the Joint Administrators' remuneration with the secured creditor in accordance with the Insolvency Rules.
- 4.2 My time costs for the Period are £153,376. This represents 615 hours at an average rate of £249 per hour. Attached at Appendix C is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent in managing the Administration.

## **NOORANI & SON LIMITED - IN ADMINISTRATION**

- 4.3 A copy of 'A Creditors' Guide to Administrators' Fees' is available on request or can be downloaded from <https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>.

- 4.4 Attached at Appendix C is additional information in relation to the Joint Administrators' fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

- 4.5 As there is no prospect of a dividend in this case, I will seek authority for the level of the joint administrators' fees from Santander.

### **5 Estimated Outcome for Creditors**

- 5.1 An update is provided below on each class of creditor.

#### ***Secured Creditors***

- 5.2 Santander UK Plc ("the Bank") holds a fixed and floating charges over the Company's assets. At the date of the Administration the indebtedness to the secured creditor was estimated at £1.01m. To date nothing has been paid on account. It is anticipated that the Bank will suffer a substantial shortfall.

#### ***Preferential Creditors***

- 5.3 There are no anticipated preferential creditors as all staff are expected to TUPE and have been paid to date and taken accrued holiday.

#### ***Unsecured Creditors***

- 5.4 I have received claims totalling £314.6k from eight creditors. I have yet to receive claims from 24 creditors whose debts total £327.8k as per the Company's statement of affairs.

- 5.5 The Company granted a floating charge to the Bank on 31 July 2017. Accordingly, I am required to create a fund out of the Company's net floating charge property for unsecured creditors (known as the Prescribed Part). However based on present information, I estimate the value of the Company's net floating charge property to be nil and therefore no Prescribed Part fund will be available.

- 5.6 It is therefore not anticipated that there will be sufficient assets to enable a dividend to the unsecured creditors.

### **6 Ending the Administration**

- 6.1 All Administrations automatically come to an end after the period of one year, unless the Company's creditors agree to extend this period, or the Court orders the Joint Administrator's term of office be extended for a specified period of time.

- 6.2 At the time of this report I do not believe that an extension to the period of Administration will be necessary, however I will confirm the position to creditors in my subsequent progress report in due course.

- 6.3 Based on information currently available, the information on the exit routes I believe may be appropriate in this Administration are set out below.

#### ***Dissolution of the Company***

- 6.4 Based on present information, the Joint Administrator thinks that the Company has insufficient property to permit a distribution to the unsecured creditors and that there may only be a distribution available to the secured creditors of the Company. As a result, once these distributions have been made, a notice will be filed at Court and with the Registrar of Companies with the Joint Administrator's final report, for the dissolution of the Company.

## **NOORANI & SON LIMITED - IN ADMINISTRATION**

- 6.5 The Joint Administrators' appointment will end following the registration of the notice by the Registrar of Companies.

### ***Compulsory Liquidation***

- 6.6 As a move to Creditors' Voluntary Liquidation is not possible because a dividend to the unsecured creditors is not anticipated, but the Administrators conclude that an exit into liquidation is appropriate so that further investigations into the Company's affairs may be carried out, an application to Court may be made to exit into Compulsory Liquidation instead. If this exit route is appropriate, at this stage it is anticipated (but is not mandatory) that the Administrators will become the Joint Liquidators in the subsequent liquidation.
- 6.7 Prior to my appointment HMRC issued a Petition for Winding Up in the High Court on 3 December 2019. The Administration process acts to freeze the Petition which was due to be heard on 13 February 2020. I am awaiting a response from HMRC to establish if they are proposing to withdraw the Petition or request that the Court stays the Petition pending the completion of the Administration.
- 6.8 The Joint Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect.

## **7 Creditors' Rights**

- 7.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.
- 7.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Administrators, as set out in this progress report, are excessive.

## **8 Next Report**

- 8.1 The Administrators are required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised or they wish to extend it.

For and on behalf of  
Noorani & Son Limited Trading as Northlands Pharmacy



**Christopher Latos**  
Joint Administrator

**Noorani & Son Limited Trading as Northlands Pharmacy  
(In Administration)  
Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 13/12/2019 To 12/06/2020 £	From 13/12/2019 To 12/06/2020 £
	<b>SECURED ASSETS</b>		
675,000.00	Goodwill	NIL	NIL
5,000.00	Investments	NIL	NIL
		NIL	NIL
	<b>SECURED CREDITORS</b>		
(1,010,000.00)	Santander	NIL	NIL
		NIL	NIL
	<b>ASSET REALISATIONS</b>		
107,234.00	Cash at Bank	107,251.81	107,251.81
18,794.00	PPD Debtor - Lyneham	26,890.27	26,890.27
7,857.00	PPD Debtor - Northlands	7,857.70	7,857.70
50,000.00	Stock	81,706.53	81,706.53
	Trading Surplus/(Deficit)	(161,592.15)	(161,592.15)
		62,114.16	62,114.16
	<b>COST OF REALISATIONS</b>		
	Agents/Valuers Fees (1)	813.50	813.50
		(813.50)	(813.50)
	<b>UNSECURED CREDITORS</b>		
(45,543.00)	HM Revenue & Customs (CT)	NIL	NIL
(146,394.00)	HM Revenue & Customs (PAYE/NI)	NIL	NIL
(451,277.00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(789,429.00)</b>		<b>61,300.66</b>	<b>61,300.66</b>
	<b>REPRESENTED BY</b>		
	Bank 1 Current		56,068.45
	Michael Franklin Chemists		(7,690.17)
	Santander Funding		(50,000.00)
	Vat Receivable		62,922.38
			<b>61,300.66</b>

**Noorani & Son Limited Trading as Northlands Pharmacy  
(In Administration)  
Joint Administrators' Trading Account**

Statement of Affairs £	From 13/12/2019 To 12/06/2020 £	From 13/12/2019 To 12/06/2020 £
<b>POST APPOINTMENT SALES</b>		
Cards Banked	11,125.21	11,125.21
Cash Banked	8,705.00	8,705.00
PPD Sales	322,032.95	322,032.95
	<u>341,863.16</u>	<u>341,863.16</u>
<b>PURCHASES</b>		
AHDL - CUF	1,294.06	1,294.06
AHDL Purchases	(232,380.07)	(232,380.07)
Colorama Laxmico CUF	(3,896.12)	(3,896.12)
Phoenix Healthcare - CUF	(9,000.00)	(9,000.00)
Purchases	(62,951.11)	(62,951.11)
	<u>(306,933.24)</u>	<u>(306,933.24)</u>
<b>TRADING EXPENDITURE</b>		
Clinical Waste Disposal	209.20	209.20
Courier	653.95	653.95
Dispenser Costs	32,865.82	32,865.82
Drivers	7,589.50	7,589.50
Heat & Light	1,239.92	1,239.92
IT	1,649.00	1,649.00
Lease/HP Payments	395.98	395.98
Locum Agency	3,920.00	3,920.00
Locum Costs	72,963.74	72,963.74
PAYE&NI	11,551.15	11,551.15
Payroll Services	560.00	560.00
Prescription Deliveries	300.00	300.00
Rates	2,066.63	2,066.63
Rents	8,400.00	8,400.00
Repairs & Maintenance	556.00	556.00
Security	400.00	400.00
Staff Training	287.00	287.00
Van Hire	2,024.00	2,024.00
Vehicle Running Costs	567.92	567.92
Wages & Salaries	48,316.94	48,316.94
Water	5.32	5.32
	<u>(196,522.07)</u>	<u>(196,522.07)</u>
<b>TRADING SURPLUS/(DEFICIT)</b>	<u><u>(161,592.15)</u></u>	<u><u>(161,592.15)</u></u>

## Appendix B

**Time Entry - SIP9 Time & Cost Summary**

NOORAN - Noorani & Son Limited  
 Project Code: POST  
 From: 13/12/2019 To: 12/08/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	40.10	19.90	59.00	0.00	119.00	21,764.50	182.89
Case Specific Matters	0.20	0.00	0.00	0.00	0.20	55.00	275.00
Creditors	54.00	2.20	8.00	0.00	64.20	16,476.00	256.66
Investigations	8.10	1.80	1.00	0.00	10.90	2,888.50	244.82
Realisation of Assets	51.90	0.20	0.20	0.00	52.30	14,341.50	274.22
Trading	337.50	13.10	18.00	0.00	368.60	66,067.00	268.05
<b>Total Hours</b>	<b>491.80</b>	<b>37.20</b>	<b>86.20</b>	<b>0.00</b>	<b>615.20</b>	<b>153,375.00</b>	<b>249.31</b>
<b>Total Fees Claimed</b>						<b>0.00</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	

**Additional Information in Relation to the Joint Administrators' Fees, Expenses & Disbursements**

**1 Staff Allocation and the Use of Sub-Contractors**

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.
- 1.3 On this case we are not proposing to use the services of any sub-contractors

**2 Professional Advisors**

- 2.1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Lester Aldridge Solicitors (legal fees for disposal of the business)	Hourly rate and disbursements
Lester Aldridge Solicitors (legal fees for employee advice and dealing with HMRC petition)	Hourly rate and disbursements
Aon (insurance)	Fixed fee
Pharmacy Seekers (valuation and disposal advice)	3% of the disposal price subject to a minimum of £17,000

- 2.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

**3 Joint Administrators' Expenses & Disbursements**

- 3.1 The estimate of expenses (including disbursements) which were anticipated at the outset of the Administration was provided to creditors in the Administrators' Proposals Report a copy of which is set out below:

Expense	Estimated cost £
Agents' costs	20,250
Solicitors' costs	30,000
Insurance	TBC
Statutory advertising	168
Specific penalty bond	396
External storage of company's books and records	TBC
Category 2 disbursements charged by the firm:	
Business mileage	3,000

**Current position of Joint Administrators' expenses**

- 3.2 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

## NOORANI & SON LIMITED - IN ADMINISTRATION

	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
Agents' costs	0	0	20,250
Solicitors' costs	0	0	30,000
Insurance	0	0	TBC
Statutory advertising	0	154	154
Specific penalty bond	0	396	396
External storage of books & records	0	0	TBC
Hotel	0	84	84
Category 2 disbursements			
Business mileage	0	1,036	3,000

- 3.3 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above.
- 3.4 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided in the Administrators' Proposals Report. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.