

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company
Hotel Options (Knutsford) Limited

Company number
08557654

In the Manchester District Registry (full name of court)
--

Court case number
2085 of 2015

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

I
Clive Morris
Heskin Hall Farm
Wood Lane
Heskin
Preston
PR7 5PA


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

(b) Insert date

From
(b) 5 February 2015

To
(b) 4 August 2015

Signed


Administrator

Dated

28/8/15

Contact Details

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

The contact information that you give will be visible to searchers of the public record

Clive Morris
Heskin Hall Farm
Wood Lane
Heskin
Preston, PR7 5PA

DX Number

DX Exchange

Companies House receipt date barcode

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

SATURDAY



A15

A4ETNIT4
29/08/2015
COMPANIES HOUSE

#360

HOTEL OPTIONS (KNUTSFORD) LIMITED - IN ADMINISTRATION

**PROGRESS REPORT ON THE CONDUCT
OF THE ADMINISTRATION FOR THE
PERIOD 5 FEBUARY 2015 TO 4 AUGUST
2015**

HOTEL OPTIONS (KNUTSFORD) LIMITED IN ADMINISTRATION

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1 Statutory Information

Company Name	Hotel Options (Knutsford) Limited	
Company Registration Number	08557654	
Date of Incorporation	5 June 2013	
Registered Office	Marshall Peters Limited Heskin Hall Farm Wood Lane Heskin Preston PR7 5PA	
Trading Address(es)	Hotel IBIS Chester Road Tabley Knutsford WA16 0PP	
Company Directors	Dean Gavin Hewart	Appointed 5 June 2013
	Michael Stones	Appointed 5 June 2013
	Lawrence John Sykes	Appointed 5 June 2013
Issued Share Capital	100 Ordinary Shares	
Company Shareholders	Dean Gavin Hewart	25 Ordinary Shares
	James Redfern	25 Ordinary Shares
	Michael Stones	25 Ordinary Shares
	Lawrence John Sykes	25 Ordinary Shares
Bankers	Lloyds Bank Plc	

Security -

Security 1

Names of Secured Creditors	David Anthony Thompson Daniel Dowler Damian Marcus James
Date of Creation	31 July 2013
Date of Registration	6 August 2013
Type of Charge	Fixed & Floating Charge
Details of Charge	Contains fixed charge Contains floating charge Floating charge covers all the property or undertaking of the company notification of addition to or amendment of charge
	<i>** Debt extinguished and charge now satisfied **</i>

Security 2

Name of Secured Creditor	Daniel Dowler
Date of Creation	14 November 2013
Date of Registration	21 November 2013
Type of Charge	Fixed & Floating Charge
Details of Charge	Contains fixed charge Contains floating charge Floating charge covers all the property or undertaking of the company notification of addition to or amendment of charge
	<i>** Debt extinguished and charge now satisfied **</i>

Security 3

Name of Secured Creditor	Daniel Dowler
Date of Creation	14 November 2013
Date of Registration	21 November 2013

Type of Charge	Fixed & Floating Charge
Details of Charge	F/H K/A former Travelodge and Little Chef, Chester Road, Over Tabley, Knutsford T/N ch225715 contains fixed charge Contains floating charge Notification of addition to or amendment of charge

*** Debt extinguished and charge now satisfied ***

Security 4

Name of Secured Creditor	James Redfern
Date of Creation	5 November 2013
Date of Registration	20 November 2013
Type of Charge	Fixed & Floating Charge
Details of Charge	Part of the F/H property K/A Little Chef Restaurant, Chester Road, Tabley, Knutsford T/N ch225715 contains fixed charge Contains floating charge Floating Charge covers all the property or undertaking of the Company Contains negative pledge

*** Debt extinguished and charge now satisfied ***

2 Introduction

This report has been prepared in accordance with Rule 2.47 of the Insolvency Rules 1986 to provide creditors with an update on the progress of the Administration of Hotel Options (Knutsford) Limited ("the Company") for the period from 5 February 2015 to 4 August 2015. It should be read in conjunction with my previous reports and correspondence to creditors.

3. Purpose of Administration

As set out in Paragraph 3 of Schedule B1 to the Insolvency Act 1986, the purpose of an Administration is to achieve one of the following three objectives in the priority stated:

- A Rescuing the Company as a going concern, or
- B Achieving a better result for the Company's creditors as a whole than would be likely if the Company was wound up (without first being in Administration), or
- C Realising property in order to make a distribution to one or more secured or preferential creditors

In this instance the purpose of the Administration was to

- B Achieve a better result for the Company's creditors as a whole than would be likely if the Company was wound up (without first being in Administration)

The Administrator was of the opinion that objective A, rescuing the Company as a going concern, was not likely to be achievable due to the significant liabilities of the Company.

The Company traded as an IBIS hotel operating under a franchise agreement. Had the Company been liquidated and the business ceased trading, then the goodwill of the Company would likely have diminished. In trading on the business it was hoped that a better return to creditors would be achieved than had the Company been wound up.

I can confirm that a sale of the business and assets completed on 5 June 2015 and as such objective B has been achieved. In trading on the hotel in Administration the value of the 'investors' interest was preserved therefore the Administrator is of the opinion the purpose of the Administration has been achieved.

4. Progress of the Administration

Please find attached at Appendix I a copy of my Receipts and Payments Account for the period of the Administration, being 5 February 2015 to 4 August 2015.

Trading

Cash at Bank

At the date of appointment there was a credit balance £675 57 held in the Company's bank account. These funds were transferred to the Administration account by Lloyds Bank Plc on 9 March 2015.

The Administrator has continued to trade the business following his appointment and I comment on this trading period as follows,

Income

Sales

The sum of £99,892 01 has been received in respect of room sales.

The sum of £2,425 87 in respect of room sales was received erroneously, following the sale of the hotel. These funds have been paid to the purchaser of the hotel.

Expenditure

As evidenced in the Receipts and Payment account highlighted at appendix I, the following trading expenses have been paid to date,

Heat, Light & Water

The sum of £359 04 has been paid to Veolia in respect of waste disposal.

Telephone & Internet

Sums of £256 55 and £564 90 have been paid to British Telecom and Easy Net respectively, for the provision of telephone and internet services.

Management Fees

The sum of £16,078 08 has been paid to Signature for the assistance in the continued operation of the hotel and production of management figures.

Insurance

The sum of £1,711 85 has been paid to Insolvency Risk Services for the provision of Insurance for the Company.

Cleaning Services

A total of £13,391 81 has been paid to Afonwen Laundry Limited and WGC Limited for the provision of cleaning and laundry services

Merchant Services

Elavon Merchant Services have been paid the sum of £579 83 for the provision merchant services

Messaging Services

The sum of £140 00 has been paid to SOH Limited in respect of music licensing fees

Security

Polar Security Consultants have been paid £376 12 for security provision

'Investor Creditors'

As previously detailed, 32 long term leaseholds were sold in respect of each individual room within the freehold Sums in the region of £80-82,5000 were paid for the respective leaseholds

Under the agreement between the Company and the investors, each investor was entitled to receive an 8% rental yield, to be provided by profits generated by the hotel This equates to an annual gross rental yield of £6,600 per annum, or £550 per month, based on the initial investment of £82,500

As part of the sale agreement a warranty was obtained from SCH that they would attempt to obtain the agreement of the investors that they would waive their right to any rental income which became due during the Administration However, their waiving of their right to rental income was only in so far as their entitlement would sit behind the Administrators remuneration as a cost of the Administration Should the Administrator make sufficient realisations to discharge his own costs and those of trading the hotel, then the investors rental liability would become payable At present it is anticipated that there will be sufficient funds to enable a distribution to investor creditors

Asset Realisations

Sale of Business and Assets

Landwood Group Plc ('agents') were instructed to value the freehold premises and the business was marketed for sale, however only limited marketing took place As detailed in the Administrators proposals, individual hotel rooms were subject to a lease and an under lease, with rental income due to the investors at 8% per annum These agreements

Wages/PAYE

The sum of £24,938 02 has been paid to employees of the Company in respect of wages
A further sum of £1,422 98 has been paid to HMRC in respect of PAYE

Professional fees

The following payments have been made in respect of professional fees,

Name of Provider	£	Service Provided
Electron VAT Consultancy	4,590 00	VAT advice
Ollis & Co	198 00	Payroll Provision
Mark Snell	493 12	Bookkeeping
Total	5,281.12	

Hire of Equipment

The sum of £499 39 has been paid to F Donald Forbes for the hire of television sets

Repairs & Maintenance

The sum of £2,860 00 has been paid to Trade a Fence Limited for work undertaken in repairing and maintaining the hotel premises

Sales Commissions

Booking com and Late Rooms com have received payments of £5,553 94 and £172 72 respectively as commission on sales

Franchise Commissions

Accor contacted the Administrator on 26 March 2015 and requested that pre appointment franchise fees totalling £8,558 be paid immediately As the IBIS branding was essential to maintain the continued operation of the hotel, this payment helped achieve the statutory purpose and this sum was paid as a cost of the Administration

In total the sum of £10,524 82 has been paid to Accor under their franchise agreement

Stationery/Supplies

Sums of £544 90 and £201 88 have been paid to Paperstones Limited and Paragon Group (UK) Limited for stationery and supplies provided to the hotel

would have to be maintained should any party wish to purchase the business and assets and as such any purchaser would have to take on considerable liabilities

Despite this, a number of parties expressed an interest in the business. Non disclosure agreements were entered into with three prospective purchasers, however, as the business was not readily saleable without compromise from the investors in respect of their leasehold, a number of parties withdrew their interest

Subsequently an offer was put forward from Shepherd Cox Hotels (Knutsford) Limited ('SCH'). We received advice from our agent that this offer was the best offer that could be expected and a sale agreement was drafted in order to finalise the sale

Shortly before the sale to SCH was due to complete, an individual contacted the Administrator with an offer to purchase the business. This offer was given due consideration, however it was believed that a number of factors meant the offer was not viable. As such a sale of the business and assets was completed on 5 June 2015 to SCH. The sale included the goodwill, tangible assets and the transfer of the employees under TUPE regulations

The sale price was £20,000, with a payment of £15,000 payable immediately upon completion and five further payments of £1,000 due on the 1st of each month, commencing on 1st July

I can confirm that to date, the sum of £17,000 has been received in this regard and payments are up to date

By way of transparency I can confirm that the director of SCH is also a director of Shepherd Cox Limited ('SCL'). As previously reported, the Company was party to a Tomlin Order and a director of SCH and SCL was a named party to the order

Overdrawn Directors Loan Account

We have received accounting records for the period ending 31 October 2014 which demonstrate that the sum of £470,601.75 remains outstanding in respect of overdrawn director's loan accounts. We have preliminary meetings with the directors who have advised that this does not accurately reflect the current position and I am making further enquiries in this regard. Once the true position has been ascertained I will commence recovery of these sums, should any remain outstanding

Book Debt

The directors advised that a book debt in the sum of £9,739.51 is due in respect of an outstanding service charge. This charge relates to leasehold premises formerly owned by the Company, adjacent to the hotel site. Due to a lack of supporting documentation it is not anticipated that there will be any realisations in this regard

VAT Refund

I was contacted by Electron VAT Consultancy following my appointment and informed that a significant VAT repayment was due to the Company. An associated company, Knutsford Dragons Cooperative Partnerships ('KDCP') was due a VAT refund of circa £527,500. It was the intention of the directors to offset the VAT liability of the Company with the funds due to KDCP using a VAT 915 form.

Correspondence was entered into with HM Revenue & Customs ('HMRC') and it was agreed that the offset could take place. However, due to significant delays on behalf of HMRC, the offset did not take place and instead a refund was paid directly to KDCP, despite the directors requesting the funds be used to extinguish the Company's VAT liability. As a result, the directors decided it prudent to introduce these funds into the Administration in order that the main body of creditors could benefit.

As a result the sum of £321,499.99 has been received in respect of a VAT Refund.

Trading Surplus

A surplus of £12,905.85 has been received in respect of a trading the Company in Administration.

5. Administrator's Remuneration and Disbursements

Attached at Appendix II is a full breakdown of my time costs incurred during the period 5 February 2015 to 4 August 2015 and also from 5 February 2015 to date, being the whole period of my appointment.

In summary, as at 4 August 2015, I have incurred time costs totalling £197,441.50, representing 970.40 hours at an average rate of £203.46 per hour.

As agreed at the initial creditors meeting held on 15 April 2015, I am authorised to draw my post appointment remuneration on the basis of time spent in dealing with the Administration.

To date, I have drawn fees following my appointment of £73,009.45.

A description of the routine work undertaken in the Administration is as follows,

Administration and Planning

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

- Case planning and administration
- Preparing reports to members and creditors
- Completion of VAT and tax returns

Cashiering

- Maintaining and managing the Administrators cashbook and bank account
- Ensuring statutory lodgements and tax lodgement obligations are met

Creditors

- Dealing with creditor correspondence and telephone calls
- Convening and holding meetings of creditors
- Maintaining creditor information on IPS
- Liaising with investor creditors and solicitors regarding their claims
- Reviewing and adjudicating on proofs of debt received from creditors
- Meetings with leaseholders to discuss ongoing rental liabilities

Investigations

- Review and storage of books and records
- Preparing a report pursuant to the Company Directors Disqualification Act
- Conducting investigations into suspicious transactions
- Review books and records to identify any transactions or actions an Administrator may take against a third party, in order to recover funds for the benefit of creditors

Realisation of Assets

- Liaising with the Company's bank regarding the closure of the account and realising the balance
- Negotiation with numerous interested parties regarding a sale of the business and assets
- Liaising with solicitors in order to draft sale agreement
- Continuance of trading of hotel, dealing with suppliers and customers

Should any secured creditor or unsecured creditor with the agreement of at least 5% in value of unsecured creditors require any further information about the Administrators remuneration or expenses please write to me within 21 days of receipt of this report stating the information required

Alternatively any unsecured creditor may make an application to court within that period under Rule 2 48A to request further information A copy of the 'Creditors Guide to Administrators Fees' guidance notes can be downloaded from the following website, <http://www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees>, or alternatively please contact this office to arrange for a hard copy to be forwarded to you In addition, should you have any queries or concerns regarding the administration process, the following website may provide support, <http://www.creditorinsolvencyguide.co.uk/>

The charge-out rates of my staff and I are disclosed at Appendix 3

Disbursements

Category 2 disbursements were agreed by creditors at the meeting held on 15 April 2015 and are detailed in my firms policy attached at appendix III Category 1 disbursements do not need approval and can be drawn at the Administrator's discretion without authority

I have drawn the following disbursements during my period in office,

Court Fees	£50 00
Statutory Advertising	£149 00
Companies House Searches	£41.00
Bordereau Fee	£1,320 00
Land Registry Searches	£114 00
Travel	£443 57
Total	£2,117.21

6. Agents and Solicitors

The Administrator is authorised to appoint agents and solicitors as deemed necessary to assist him in achieving his statutory purpose

The following agents and solicitors have been instructed during the course of my Administration, on the fee basis as disclosed -

Firm	Nature of Appointment	Fee Basis
Vincent's LLP	Drafting of sale and purchase agreement	£12,833 34 plus VAT on a time cost basis
Aticus Law LLP	Acting on behalf of Company in respect of Administration application of associated company	£9,300 plus VAT, including disbursements
Landwood Group Plc	Provide valuation of the Company's Assets	£2,000 plus VAT Fixed fee
Clarke Nicklin	Assistance with preparing Company Accounts	£10,000 plus VAT

In addition to the above, the sum of £10,000 has been paid to both E Marketing Excellence Limited and Martin Stones Properties Limited for assistance provided in the recovery of the VAT refund

Following a review of the time incurred and fees charged of these agents, I am happy that the fees charged and paid are reasonable

7. Investigations

In accordance with the Company Directors Disqualification Act 1986 the Administrator has submitted a report on the conduct of the Director of the Company to the Department for Business Innovation and Skills (BIS) As this is a confidential report, I am not able to disclose the contents

The Administrator also has a duty to investigate the extent of the Company's assets including potential claims against third parties including the Director, and to report his findings, subject to considerations of privilege and confidentiality and whether those investigations and/or any potential litigation might be compromised

A number of investor creditors have raised concerns regarding the director's conduct and the returns on their investment The directors have advised that it is their view that the investor's returns would have been achievable had the Company not entered into legal action with Shepherd Cox regarding the VAT liability outlined earlier in the report Investigations in this regard are still ongoing

8. Creditors

Secured Creditor

There are no secured creditors of the Company

Unsecured Creditor

Unsecured creditor claims received to date total £410,668.91 The total unsecured liabilities as per Estimated Statement of Affairs prepared by the directors totalled £585,611.38 It is uncertain as to whether there will be sufficient funds to enable a distribution to unsecured creditors

Prescribed Part

The Prescribed Part provisions of the Insolvency Act 1986 do not apply to the Company as there are no floating charges outstanding

9. Outcome for Creditors

At present it is anticipated that there will be sufficient realisations to enable a distribution to investor creditors It will be for the appointed liquidator to adjudicate on these claims and make a distribution to creditors

10. Conclusion

There are a small number of trading expenses to be settled, once I have finalised these payments I will file form 2 34b at Companies House and the Company will move into Creditors Voluntary Liquidation, as per the modified proposals, with Jamie Taylor and Lila Thomas of Begbies Traynor (Central) LLP appointed as Joint Liquidators

Should creditors require any clarification or any further information, they should contact either myself or Philip Lawrence of this office

Yours faithfully

A handwritten signature in black ink, appearing to be 'Clive Morris', with a stylized, cursive script.

Clive Morris
Administrator

The affairs, business and property of the Company are being managed by the Administrator, Clive Morris of Marshall Peters, as Agent and without personal liability.

APPENDIX I

**TRADING AND RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD 5
FEBRUARY 2015 TO 4 AUGUST 2015**

Hotel Options (Knutsford) Limited
(In Administration)
Administrator's Trading Account

Statement of Affairs	From 05/02/2015 To 04/08/2015	From 05/02/2015 To 04/08/2015
POST APPOINTMENT SALES		
Sales - Rooms	99,826 17	99,826 17
Sales - Other Sales	65 84	65 84
	<u>99,892 01</u>	<u>99,892 01</u>
OTHER DIRECT COSTS		
Sub Contractors	NIL	NIL
Wages	(24,938 02)	(24,938 02)
	<u>(24,938 02)</u>	<u>(24,938 02)</u>
TRADING EXPENDITURE		
Heat, Light & Water	359 04	359 04
Telephone & Internet	821 45	821 45
Management Fees	16,078 08	16,078 08
Insurance	1,711 85	1,711 85
Professional Fees	5,281 12	5,281 12
Hire of Equipment	499.39	499 39
Repairs & Maintenance	2,860 00	2,860 00
Sales Commission	5,726 66	5,726 66
Franchise- Commissions	10,524 82	10,524 82
Stationery/Supplies	746 78	746 78
Website Service	NIL	NIL
Cleaning Service	13,391 81	13,391 81
PAYE/NIC	1,422 98	1,422 98
Merchant Services	579 83	579 83
Messaging Service	140 00	140 00
Security	376 12	376 12
	<u>(60,519 93)</u>	<u>(60,519 93)</u>
TRADING SURPLUS/(DEFICIT)	<u>14,434 06</u>	<u>14,434.06</u>

Hotel Options (Knutsford) Limited
(In Administration)
Administrator's Abstract of Receipts & Payments

Statement of Affairs		From 05/02/2015 To 04/08/2015	From 05/02/2015 To 04/08/2015
	SECURED ASSETS		
Uncertain	Freehold Land & Property	<u>NIL</u> NIL	<u>NIL</u> NIL
	SECURED CREDITORS		
(2,637,500 00)	Investor Creditors	<u>NIL</u> NIL	<u>NIL</u> NIL
	ASSET REALISATIONS		
NIL	Book Debts	NIL	NIL
Uncertain	Overdrawn Directors Loan Account	NIL	NIL
NIL	VAT Refund	321,499 99	321,499 99
	Cash at Bank	675 57	675 57
	Bank Interest Net of Tax	0 35	0 35
	Trading Surplus/(Deficit)	14,434 06	14,434 06
	Sale of Business	<u>15,900 00</u>	<u>15,900 00</u>
		352,509 97	352,509 97
	COST OF REALISATIONS		
	Office Holders Fees	53,009 45	53,009 45
	Office Holders Expenses	2,117 21	2,117 21
	Refund of PDQ funds	2,425 87	2,425 87
	Fees RE VAT Collection	20,000 00	20,000 00
	Agents/Valuers Fees (1)	2,000 00	2,000 00
	Solicitors Fees	12,833 34	12,833 34
	Legal Disbs	<u>3 00</u>	<u>3 00</u>
		(92,388 87)	(92,388 87)
	UNSECURED CREDITORS		
(87,790 97)	Trade & Expense Creditors	NIL	NIL
(453,333 00)	HMRC	NIL	NIL
(44,486 41)	Leasehold Arrears	NIL	NIL
(1 00)	Disputed Debt	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	DISTRIBUTIONS		
(100 00)	Ordinary Shareholders	<u>NIL</u> NIL	<u>NIL</u> NIL
(3,223,211 38)		<u>260,121.10</u>	<u>260,121 10</u>
	REPRESENTED BY		
	Vat Receivable		9,826 22
	Bank 1 Current		250,701 41
	Vat Payable		(406 53)
			<u>260,121.10</u>

Clive Morris
Administrator
28 August 2015 10 14

APPENDIX 2

**SIP 9 ANALYSIS OF TIME SPENT FOR THE PERIOD 5 FEBRUARY 2015 TO 4
AUGUST 2015 AND 5 FEBRUARY 2015 TO DATE**

SIP 9 - Time & Cost Summary

Period 05/02/15 04/08/15

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	33 00	72 40	76 00	204 20	385 60	75,520 00	195 85
Investigations	3 50	25 90	37 10	3 10	69 60	15,486 50	222 51
Realisations of assets	16 00	47 00	49 50	7 80	120 30	28,263 00	234 94
Trading	26 50	92 90	66 00	99 50	284 90	61,155 50	214 66
Creditors	2 00	24 00	3 00	36 60	65 60	11,776 00	179 51
Case specific matters	0 00	1 70	0 00	42 70	44 40	5,240 50	118 03
Total Hours	81 00	263 90	231 60	393 90	970 40	197,441 50	203 46
Total Fees Claimed						53,009 45	

SIP 9 - Time & Cost Summary

Period 05/02/15 28/08/15

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	36 00	74 60	81 50	207 90	400 00	78,650 00	196 63
Investigations	4 50	26 40	39 10	3 10	73 10	16,359 00	223 79
Realisations of assets	16 00	47 50	49 50	7 80	120 80	28,385 50	234 98
Trading	26 50	94 50	68 00	99 50	288 50	61,947 50	214 72
Creditors	2 00	25 50	3 00	36 60	67 10	12,143 50	180 98
Case specific matters	0 00	1 70	0 00	47 50	49 20	5,866 00	119 23
Total Hours	85 00	270 20	241 10	402 40	998 70	203,351 50	203 62
Total Fees Claimed						73,009 45	

APPENDIX 3

HOURLY CHARGE-OUT RATES OF THE STAFF OF MARSHALL PETERS LIMITED AS AT 10 JUNE 2013:-

	£
Partner	350 00
Manager	245 00
Assistant Manager	200 00
Senior Administrator	160 00
Administrator	135 00
Senior Cashier	135 00
Cashier	90 00
Support Staff	90 00

Minimum charge-out will be in six minute units

DISBURSEMENTS

Category 1 Disbursements

These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party

Examples of equivalent costs that may be reimbursed to the office holders without up lift and do not require prior approval are given below

Category	Basis of Charge
Indemnity Bond	At cost of mandatory cover required in accordance with the Insolvency Act 1986 for each appointment
Insurance of Assets	At cost in relation to asset coverage requirements
Company Searches	At cost incurred
Travel	All forms other than mileage at actual cost
Room Hire	All external venues at actual cost
Stationery	At cost incurred
Storage Charge	At actual cost incurred for storage (and retrieval, when appropriate) of records
Other	At actual cost charged

Category 2 Disbursements

These are costs that are directly referable to the appointment in question but not to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. In the event of charging for Category 2 disbursements the following items of expenditure are recharged on the basis specified

Category	Basis of Charge
Business Mileage	Motor vehicle at 40 p per mile
Internal Room Hire	Held at Marshall Peters Limited, Heskin Hall, Wood Farm Lane, Preston, Heskin, PR7 5PA £50
Photocopying	Specific calculation of 25 pence per sheet x number of creditors
Facsimiles	£1 for first page and 10 pence for each additional page

Subcontractors

Details and the cost of any work which has been or is intended to be sub-contracted out that could otherwise be carried out by the office holder or his staff will be provided in any report which incorporates a request for approval of the basis upon which remuneration may be charged

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery or relevant disbursements. The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location