

The Insolvency Act 1986

**Administrator's progress report**

Name of Company <b>Anglo Continental Property LLP</b>	Company number <b>OC331081</b>
In the <b>High Court of Justice, Chancery Division, Manchester District Registry</b> [full name of court]	Court case number <b>664 of 2011</b>

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

I/We (a) Tracey Lee Pye of BDO LLP, 3 Hardman Street, Manchester, M3 3AT and James Bernard Stephen of BDO LLP, 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX

administrator(s) of the above company attach a progress report for the period

(b) Insert date	from (b) 7 April 2011	to (b) 6 October 2011
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Signed

  
Joint administrator(s)

Dated

06/10/11.**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.

<b>BDO LLP</b>	
<b>3 HARDMAN STREET MANCHESTER</b>	
	Tel <b>0161 817 7500</b>
DX Number	DX Exchange

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

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COMPANIES HOUSE



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DX 710256 Manchester 3  
www.bdo.co.uk

3 Hardman Street  
Manchester M3 3AT

TO ALL CREDITORS

6 October 2011

Our ref 8/PPK/DRH/DNM/A3075/A6

Please ask for: David Muse

Direct Dial 0161 817 7605

Dear Sirs

**Anglo Continental Property LLP - In Administration ("the Company")**

It is now six months since our appointment in respect of the Company. In accordance with Rule 2.47 of the Insolvency Rules 1986 we are now reporting the progress made in implementing the approved proposals and achieving the statutory purpose of the Administration.

**1 Statutory Information**

- 1.1 The Joint Administrators are Tracey Lee Pye of BDO LLP, 3 Hardman Street, Manchester, M3 3AT and James Bernard Stephen of BDO LLP, 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX and they were appointed in respect of the Company on 7 April 2011. Under the provisions of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 the Administrators carry out their functions jointly and severally and neither Administrator has exclusive power to exercise any function.
- 1.2 The Administrators were appointed by Royal Bank of Scotland Plc being a Qualifying Floating Charge Holder, pursuant to Paragraph 22 of Schedule B1 of the Insolvency Act 1986. The Administration proceedings are dealt with in the Manchester High Court and the Court case number is 664 of 2011.
- 1.3 The Company's registered office is situated at 3 Hardman Street, Manchester, M3 3AT and the registered number is OC331081.
- 1.4 I enclose, for your information, a summary of my receipts and payments to date showing a balance in hand of £28,825, together with a copy of my abstract account covering the last six month period, and report as follows.

**2 Receipts**

The receipts shown are largely self-explanatory, although I would comment specifically on

**2.1 Freehold Land & Property**

- 2.1.1 In accordance with the advice of Graham and Sibbald ("the Agents"), the freehold property at Block 5 Unit 2, Wester Gourdie Industrial Estate, Dundee DD2 4UH ("the Property") was sold with the current tenant in-situ on 26 August 2011 for £280k plus VAT.

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## 2.2 *Rental Income*

- 2.2.1 We have received rent of £13,332 plus VAT for the four months from 1 April 2011 to 31 July 2011. Rent for the month of August was waived as part of the agreement with the Purchaser to sell the Property, in accordance with the advice of our Agents.

## 3 *Payments*

The payments shown are largely self-explanatory, although I would comment specifically on

### 3.1 *Legal costs*

- 3.1.1 Legal costs totalling £8,223 have been paid and relate to our appointment and the sale of the Property.

### 3.2 *Agent's costs*

- 3.2.1 Agent's costs totalling £8,200 have been paid in relation to the collection of rent, providing valuations of the Property and marketing the Property for sale.

### 3.3 *Property Waste Disposal*

- 3.3.1 Contractors costs of £3,726 have been paid to remove debris from the Property, in accordance with our insurer's requirements.

### 3.4 *Insurance costs*

- 3.4.1 Insurance costs of £4,165 in respect of the Property, relating to the period from our appointment to the sale of the Property, have been paid.

## 4 *Achieving the Purpose of the Administration*

- 4.1 The statutory purpose of an Administration consists of three objectives, and we now address the progress that has been made in this respect.

- (a) As previously advised, it was not possible to achieve the first objective of an Administration, namely rescuing the Company as a going-concern, given the level of the Company's debts.
- (a) With regard to the second objective of 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), the position is that this objective has been achieved as the realisations from the sale of the Property and collection of rent were higher than would be expected had we been unable to obtain immediate control over the Company's assets. As a result, the shortfall to the secured creditor has been significantly reduced.
- (b) The final objective is realising property in order to make a distribution to one or more secured or preferential creditors. This objective has also been achieved as a payment to the secured creditor has been made.

**5 Future of the Administration**

5.1 There are no remaining assets to be realised

5.2 The Insolvency Act 1986 and Insolvency Rules 1986 provide a variety of options regarding the possible exit routes for a company from Administration, being primarily a Company Voluntary Arrangement, Liquidation or dissolution of the company

5.3 I can confirm that a meeting of creditors was not called pursuant to Paragraph 51(1) of the Insolvency Act 1986 or requisitioned by the creditors. On this basis, the Administrators' proposals dated 23 May 2011 have been deemed to be approved by the creditors pursuant to Rule 2.33(5) of the Insolvency Rules 1986.

5.4 The Company will exit the Administration by way of dissolution. A final report will follow in due course.

**6 EC Regulations on Insolvency Proceedings**

6.1 We are required under the Insolvency Rules 1986 to state whether and if so the extent to which the above regulations apply to this Administration. In this particular case the EC Regulations will apply and these proceedings will be main proceedings as provided by Article 3 of the aforesaid Regulation.

**7 Prospects for Creditors****7.1 Secured Creditors**

7.1.1 The Royal Bank of Scotland Plc ("the Bank") provided term loans and an overdraft facility to the Company, and approximately £365,000 was outstanding at the date of our appointment. The Bank is secured by way of a debenture dated 25 September 2007 registered against the Company and a legal charge dated 11 October 2007 over the Property registered in Scotland.

7.1.2 To date, the Bank has been repaid £240,000. A further distribution of approximately £13,000 is expected shortly. It is estimated that the Bank will suffer a shortfall of approximately £113,000 against the Company's debt.

**7.2 Preferential Creditors**

7.2.1 The Members have advised that the Company did not employ any staff, therefore there are no preferential creditors.

**7.3 Unsecured Creditors & Prescribed Part**

7.3.1 Trade and expense creditors total approximately £51,644.

7.3.2 We can confirm that under the provisions of Section 176A of the Insolvency Act 1986 the Company has granted a charge after 15 September 2003, therefore the prescribed part would normally apply. However, based on the information currently available there will be no distribution under the Bank's floating charge, therefore the prescribed part will not apply.

7 3 3 For the reasons outlined above, there will be insufficient funds available to discharge the secured creditor in full, therefore, it is not anticipated that a distribution will be made to unsecured creditors of the Company

**8 Administrators' Remuneration**

8 1 As previously advised, in cases where there will be no distribution to unsecured creditors other than by virtue of the Prescribed Part, the Administrators are obliged to seek authorisation of their fees from the secured and preferential creditors

8 2 As such, the Administrators have sought the approval of the secured creditor in respect of our remuneration, pursuant to Rule 2 106 (5A) of the Insolvency Rules 1986 Fees of £15,000 and disbursements have been approved but have not yet been drawn

8.3 A Creditors' Guide to Administrators' Fees and a summary of our time costs totalling £21,963 is attached for your information. The balance of the Administrators' time costs will be written off.

Yours faithfully

For and on behalf of Anglo Continental Property LLP



M Tracey Pye

Joint Administrator

Authorised by the Institute of Chartered Accountants in England & Wales

Enc

**Statement from the Insolvency Rules 1986 (as amended) regarding the rights of creditors in respect of the Joint Administrators' fees and expenses:-**

**Rule 2.48A Creditors' request for further information**

**(1) If—**

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

**(2) The administrator complies with this paragraph by either—**

- (a) providing all of the information asked for, or
- (b) so far as the administrator considers that—
  - (i) the time or cost of preparation of the information would be excessive, or
  - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
  - (iii) the administrator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information

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

- (a) the giving by the administrator of reasons for not providing all of the information asked for, or
- (b) the expiry of the 14 days provided for in paragraph (1), and the court may make such order as it thinks just

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

**Rule 2.109 Creditors' claim that remuneration is or other expenses are excessive**

**(1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)**

**(1A) Application may be made on the grounds that—**

- (a) the remuneration charged by the administrator,
- (b) the basis fixed for the administrator's remuneration under Rule 2.106, or
- (c) expenses incurred by the administrator, is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate

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

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

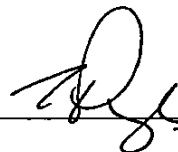
**Statement from the Insolvency Rules 1986 (as amended) regarding the rights of creditors in respect of the Joint Administrators' fees and expenses (continued):-**

**Rule 2.109 (continued)**

- (3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) *If the court considers the application to be well-founded, it must make one or more of the following orders—*
- (a) an order reducing the amount of remuneration which the administrator was entitled to charge;
  - (b) an order fixing the basis of remuneration at a reduced rate or amount,
  - (c) an order changing the basis of remuneration;
  - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration,
  - (e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,
- and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration

**Anglo Continental Property LLP  
(In Administration)  
Joint Administrators' Abstract of Receipts & Payments**

Statement of Affairs		From 07/04/2011 To 06/10/2011	From 07/04/2011 To 06/10/2011
300,000 00	<b>FIXED CHARGE ASSETS</b>		
	Freehold Land & Property	<u>280,000.00</u>	<u>280,000.00</u>
		280,000 00	280,000.00
	<b>FIXED CHARGE COSTS</b>		
	Legal Fees & Disbs	8,223.40	8,223.40
	Agents' Fees & Disbs	8,200 00	8,200 00
	Property Waste Disposal	<u>3,725.78</u>	<u>3,725 78</u>
		(20,149.18)	(20,149 18)
	<b>FIXED CHARGE CREDITORS</b>		
	Secured Creditor	<u>240,000.00</u>	<u>240,000.00</u>
		(240,000 00)	(240,000.00)
	<b>ASSET REALISATIONS</b>		
	Rental Income	13,333.32	13,333 32
	Interest Gross	<u>2 58</u>	<u>2.58</u>
		13,335.90	13,335 90
	<b>COST OF REALISATIONS</b>		
	Statutory Advertising	178.01	178.01
	Insurance	4,165.29	4,165.29
	Bank Charges	<u>18.34</u>	<u>18.34</u>
		(4,361.64)	(4,361.64)
(365,000 00)	<b>FLOATING CHARGE CREDTS</b>		
	The Royal Bank of Scotland Plc	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
(51,643.00)	<b>UNSECURED CREDITORS</b>		
	Trade & Expense Creditors	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
(100 00)	<b>DISTRIBUTIONS</b>		
	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<b>(116,743.00)</b>		<u><b>28,825.08</b></u>	<u><b>28,825.08</b></u>
	<b>REPRESENTED BY</b>		
	Input VAT		840 00
	Fixed Current Account		<u>27,985.08</u>
			<u><b>28,825.08</b></u>



Tracey Lee Pye  
Joint Administrator





**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 a resolution of the creditors shall be taken as passed if, and only if, passed with 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

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, and professional guidance has been provided setting out a minimum of 6 category headings under which the work done by the officeholder and his staff should be analysed. As a firm BDO LLP operates a computerised time recording system which analyses work done under the following categories -

- Pre Appointment Matters
- Steps upon Appointment
- Planning and Strategy
- General Administration
- Asset Realisation/Management
- Trading Related Matters
- Employee Matters
- Creditor Claims
- Reporting
- Distribution and Closure

- Other Issues

Professional guidance suggests the following categories 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 sub-contractors, 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.



## Anglo Continental Property LLP - In Administration

In accordance with best practice I provide below details of policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvency.

The current charge out rates per hour of staff within my firm who may be involved in working on the insolvency, follows. This in no way implies that staff at all such grades will work on the case

### GRADE £

Partner1	460
Partner2	371
Director	319
Senior Manager	271
Manager	202-232
Assistant Manager	185
Senior Executive	170
Executive	156
Junior Executive	139
Cashier	185
Trainee	124

The rates charged by BDO LLP, 3 Hardman Street, Manchester, M3 3AT are reviewed in December and July each year and are adjusted to take account of inflation and the firm's overheads

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes BDO LLP records work in respect of insolvency work under the following categories:-

- Pre Appointment
- Steps upon Appointment
- Planning and Strategy
- General Administration
- Asset Realisation/Management
- Trading Related Matters
- Employee Matters
- Creditor Claims
- Reporting
- Distribution and Closure
- Other Issues

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.



### 1) Other Costs

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.

### 2) Category 1

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), searches at Companies House, land registry searches, fees in respect of swearing legal documents, external printing costs etc. In each case the recharge will be reimbursement of a specific expense incurred.

A further disbursement under this heading is the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 40p per mile is raised which is in line with the Inland Revenue Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff.

Where applicable, disbursements will be subject to VAT at the prevailing rate

### 3) Category 2

Additionally some firms recharge expenses for example postage, stationery, photocopying charges, telephone and fax costs, which cannot economically be recorded in respect of each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors, before they can be drawn, and these are known as category 2 disbursements. The policy of BDO LLP, effective from 1 July 2003, is not to recharge any expense which is not a specific cost to the case, therefore there will be no category 2 disbursements charged. Category 2 disbursements, because they are imprecise, require approval by the creditors before they can be drawn.

BDO LLP  
6 October 2011