

The Insolvency Act 1986

Administrator's progress report

Pursuant to Rule 2.38 of the Insolvency (Scotland) Rules 1986

Name of Company

124 St Vincent Street (Glasgow) LLP
- in Administration

Company number

SO301584

(a) Insert full name(s)
and address(es) of
administrator(s)I / We (a) Simon Thomas and Arron Kendall - Joint Administrators
c/o Moorfields, 88 Wood Street, London, EC2V 7QF_____
administrator(s) of the above company attach a progress report for the period

(b) Insert dates

from

(b) 30 August 2017

to

(b) 29 March 2018

Signed


Joint / Administrator(s)

Dated 9 May 2018

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

Ben Luxford

Moorfields, 88 Wood Street, London, EC2V 7QF

Tel

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, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF
DX 235 Edinburgh / LP 4 Edinburgh-2

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COMPANIES HOUSE

**124 St Vincent Street (Glasgow) LLP
(In Administration)**

Joint Administrators' Third Progress Report

in accordance with

Rule 2.38 of the Insolvency (Scotland) Rules 1986

4 May 2018

4 May 2018

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Disclaimer:

This report has been prepared for the sole purpose of updating creditors for information purposes. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.

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124 St Vincent Street (Glasgow) LLP – In Administration (“the Partnership”)

1. Background and Statutory Information

This is the Joint Administrators' third progress report on the conduct of the Administration from 30 August 2017 to 29 March 2018 in accordance with the requirements of Rule 2.38 of the Insolvency (Scotland) Rules 1986.

This report should be read in conjunction with the Joint Administrators' previous report dated 11 November 2016, 3 May 2017 and 29 August 2017. There has been no major deviation from the strategy as proposed.

The Partnership entered Administration on 30 September 2016 and Simon Thomas and Arron Kendall both licensed insolvency practitioners of Moorfields Advisory Ltd, 88 Wood Street, London EC2V 7QF, were appointed Joint Administrators.

To date no fees have been drawn in respect of the Administration. Further information regarding fees is given in section 5.

Based on current information, it is unlikely that there will be a distribution to the unsecured creditors.

On the basis that there remained unrealised assets on 29 September 2017, the duration of the Administration was extended to 29 September 2018 with the consent of the secured creditor.

Statutory information relating to the Partnership and the Joint Administrators' appointment is attached at **Appendix I**.

2. Progress of the Administration

The affairs, business and property of the Partnership are managed by the Joint Administrators who act as agents of the Partnership and contract without personal liability.

The Joint Administrators' receipts and payments account for the period 30 August 2017 to 29 March 2018 is attached at **Appendix II**. The account also records the cumulative position for the period from 30 September 2016 to 29 March 2018.

I would comment specifically as follows:

Realisation of assets

2.1 Rent

The Partnership's property at 124 St Vincent Street (“the Property”) is a Grade B office building on the northern side of St Vincent Street.

The property is occupied on a multi-let basis to two tenants paying a combined annual rent of £108,140 plus VAT.

Gatehouse Property Management Limited (“GPM”) were instructed to collect rent and manage the Property. They have collected rental income totalling £81,105.00 plus VAT during the reported period and accounted to the Joint Administrators in respect of the rental income.

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2.2 Assets still to be realised

The Administrators have agreed a sale of the Property, subject to contract. It is expected that the sale will complete in the coming weeks. The sale price is commercially sensitive and has not been disclosed.

2.3 Joint Administrators' Expenses

The expenses paid by the Joint Administrators' in the period of this report are reflected in the receipts and payments account at **Appendix II, section 2.4 and section 5**.

Summary of expenses	Paid to date £	Estimated future £	Cumulative total £
Fixed charge costs			
Agents Fees	-	(51,000.00)	(51,000.00)
Legal Fees	-	(10,000.00)	(10,000.00)
	<hr/>	<hr/>	<hr/>
	-	(61,000.00)	(61,000.00)
Floating charge costs			
Preparation of S. of A.	(1,750.00)	-	(1,750.00)
Office Holders' Cat 1 disbursements	(804.32)	(1,000.00)	(1,804.32)
Water Drainage Charges	(6,858.15)	-	(6,858.15)
Legal fees	(705.00)	(2,500.00)	(3,205.00)
Taxation fees	(4,500.00)	(2,500.00)	(7,000.00)
EPC's	(730.00)	(1,500.00)	(2,230.00)
Domain Name	(97.00)	-	(97.00)
Service Charge Voids	(119,828.75)	(50,000.00)	(169,828.75)
Storage Costs	(8.32)	(500.00)	(508.32)
Insurance of Assets	(17,108.08)	(15,000.00)	(32,108.08)
Insurance	(13,413.07)	(100.00)	(13,513.07)
Bank Charges	(15.00)	-	(15.00)
Engineering inspection	(1,131.00)	-	(1,131.00)
	<hr/>	<hr/>	<hr/>
	(152,389.62)	(73,000.00)	(225,389.62)
	<hr/>	<hr/>	<hr/>
	(152,389.62)	(134,000.00)	(286,389.62)

I estimate future expenses excluding any tax liability and Administrators' fees of £134,000.

2.4 Professional Advisers

The Joint Administrators have used the professional advisers listed below:

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Pinsent Masons	Validity of appointment and ad hoc advice	Fixed fee	705	705	-
Gatehouse Property Management Limited	Managing agents	% recoveries paid from service charge (£2,875 plus VAT per quarter)	17,250	17,250	-
Deloitte LLP	Preparation of Statement of Affairs	Time Charges	1,750	1,750	-
Goodman Jones	Taxation Advice	Fixed cost of £100 per VAT return and £1,500 per tax return	4,500	4,500	-
Clarius Business Services Limited	Completion of an Energy Performance Certificate	Fixed Fee	730	730	-
Lockton Companies LLP	Insurance / Engineering inspection	Variable (Year one and Year two)	31,152	31,152	-
Marsh	Insurance – initial open cover	Fixed	500	500	-

The Joint Administrators' choice was based upon their perception of the advisers' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them. The Joint Administrators have reviewed the fees charged and are satisfied that they are reasonable in the circumstances of the case.

3. Joint Administrators' Remuneration

The statutory provisions relating to remuneration are set out in Rule 2.39 of the Insolvency (Scotland) Rules 1986. Further information is given in the 'Institute of Chartered Accountants in England and Wales' ("the ICAEW") publication 'A Creditors' Guide to Administrators' Remuneration Scotland', a copy of which may be accessed from the web site of the ICAEW at the link provided below or is available in hard copy upon written request to the Joint Administrators offices.

<http://www.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/creditors-guide-to-administrators-remuneration-scotland-feb-10.pdf>

The basis of the Joint Administrator's remuneration may be fixed as one or more of the following bases:

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- as a percentage of the value of the assets he has to deal with, or
- by reference to time properly spent by the Administrator and his staff managing the Administration.

In this case, the Joint Administrators will be seeking to approve the basis of their fees as follows:

- By reference to the time properly spent by the Joint Administrators and their staff in attending to matters arising in the Administration.
- By reference to the secured creditors.

The Joint Administrators will write to the secured creditors separately to seek to be authorised to draw remuneration as and when funds are available.

Attached at **Appendix III** is a SIP 9 time and cost analysis which provides details of the activity costs incurred by staff grade by reference to time properly spent by the Joint Administrators in managing the Administration during this period. Time costs for the period 30 August 2017 to 29 March 2018 are £17,748.00. This represents 59.95 hours at an average hourly rate of £296.05 per hour

I also attach as **Appendix III** a cumulative time analysis for the period from 30 September 2016 to 29 March 2018 which provides details of my time costs since appointment. Time costs to 29 August 2017 have previously been reported in full.

Time costs to date have been incurred in respect of the following activities:

- Case strategy and reviews;
- Statutory reporting to creditors;
- Dealing with all routine emails and correspondence;
- Liaising with GPM regarding the collection of rent and managing the property;
- Liaising with agents/solicitors regarding sales and marketing
- Payment of service charge voids;
- Updating the secured creditor in respect of the Property position;
- Liaising with insurers and contractors to ensure all assets are secure;
- Cashiering functions including third party payments and receipt of rental income;

It is the Joint Administrators' policy to delegate the routine administration tasks to less senior staff in order to maximise the cost effectiveness of the work performed. These staff are supervised by senior staff and the Joint Administrators. Any matter of complexity or significance is dealt with by the senior staff on team and the Joint Administrators.

Attached at **Appendix IV** is a schedule detailing the activities undertaken together with supporting information in accordance with the SIP 9. This also contains additional information in relation to this firm's policy on staffing, disbursements and details of our current charge-out rates by staff grade.

The Joint Administrators have drawn no fees to date.

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4 Joint Administrators' Disbursements

In accordance with SIP 9, where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.

4.1 Category 1 Disbursements

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as travelling, postage, photocopying (if external provider), statutory advertising and other expenses made on behalf of the assignment. Such disbursements can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with SIP 9, it is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the disbursements drawn.

No Category 1 disbursements have been incurred in the reporting period.

4.2 Category 2 Disbursements

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred by Moorfields for the provision of services which include an element of recharged overhead, for example, room hire or document storage. SIP9 provides that such disbursements are subject to approval as if they were remuneration. It is our policy, in line with the Statement, to advise of any Category 2 disbursements before they are drawn.

Category disbursements totalling £50 remain undrawn from a prior period.

Further details of our expenses policy are provided in **Appendix IV**.

5. Prescribed Part

Under the provisions of Section 176A of the Insolvency Act 1986 the Administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where the Company has granted a floating charge to a creditor after 15 September 2003.

A floating charge was granted in favour of The Co-operative Bank Plc on 2 July 2007. The charge was subsequently assigned to Promontoria (RAM 2) Limited ("the Secured Creditor"). The prescribed part provisions will therefore apply.

The Prescribed Part (section 176A of the Insolvency Act 1986 (Prescribed Part) Order 2003) applies where there are floating charge realisations, net of costs and preferential claims (the 'net property'), to be set aside for unsecured creditors. This equates to:

- 50% of net property up to £10,000
- Plus, 20% of net property in excess of £10,000

Up to a maximum of £600,000

The Company's net property is the amount of its property subject to any floating charges created by the Company after allowing for costs and claims of preferential creditors.

In this case, the Company's net property is estimated to be less than £10,000 and therefore the Administrators intend to rely on the provisions of s176A and will disapply the Prescribed Part.

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7. Estimated outcome for creditors

6.1 Secured Creditors

Below is a schedule of the charges registered against the Partnership

Charge Holder	Date Created	Type
Co-Operative Bank Plc	30/10/2007	Floating Charge
Co-Operative Bank Plc	30/10/2007	Charge over specific bank account
Co-Operative Bank Plc	06/11/2007	Standard Security-All & Whole the subject at 122-128 St Vincent Street, Glasgow
S Wilson	06/11/2007	Standard Security – 124 St Vincent Street, Glasgow
AWG Property Ltd	06/11/2007	Standard Security-All & Whole the subject at 122-128 St Vincent Street, Glasgow known as Commercial Union House, 124 St Vincent Street, Glasgow
Co-Operative Bank Plc	13/11/2007	Assignment of Rents

The Secured Creditor holds and floating charges over the Partnership's assets. At the date of the Administration the indebtedness was estimated at £6,322,101.01.

Distributions of £2,500 have been made to the Secured Creditor under their floating charge to date.

The Partnership also provided the Secured Creditor with a cross guarantee in respect of the debt due by Castlemilk Retail LLP, also in Administration, estimated at £8,466,897.28

The Secured Creditor is expected to suffer a shortfall and therefore, the Joint Administrators do not anticipate making any payment to S Wilson and AWG Property Limited in respect of their charges.

6.2 Preferential Creditors

There are no known preferential creditors.

6.3 Unsecured Creditors

The Joint Administrators' have received two claims totalling £2,062.53. We have yet to receive claims from seven creditors whose debts total £4,905,764.60 as per the Directors Statement of Affairs.

No defined calculation of creditors' claims has been undertaken. Based on current information and in accordance with information available at the time of the Joint Administrators' proposals, the Joint Administrators' do not anticipate there being sufficient funds to enable a distribution to be paid to the unsecured creditors of the Partnership.

7. Investigations

In accordance with legislation I would confirm that I have submitted a report on the conduct of the Designated Members of the Partnership to the Department for Business Innovation & Skills. As this is a confidential report, I am not able to disclose the contents.

To complete this report a review of the Partnership's financial accounts, bank statements and directors' questionnaires was undertaken regarding the period leading up to the

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Administration to ascertain whether or not there had been any misconduct by the director in the form of any preference payments, transactions at an undervalue or wrongful trading.

If creditors wish to bring any matters they believe to be relevant to the attention of the Joint Administrators, they are invited to do so in writing to Simon Thomas and Arron Kendall at Moorfields, 88 Wood Street, London EC2V 7QF.

8. Exit from Administration

As outlined in the initial report to creditors it is the Joint Administrators' intention to exit the Administration into Creditors Voluntary Liquidation should there be funds to enable a distribution to the unsecured creditors other than by way of the prescribed part or by way of dissolution should there be no funds available.

The Joint Administrators will seek to be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect.

9. Creditors Rights

Any secured creditor, or an unsecured creditor (with the concurrence of at least 25% 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 the basis fixed for the Joint Administrators' remuneration, the remuneration charged or the expenses incurred by the Joint Administrators as set out in the progress report are excessive. (Rule 2.39A)

If you have any queries regarding this report please contact Ben Luxford of this office in the first instance. I will report to you again at the conclusion of the Administration or in six months' time, whichever is the sooner.

For and on behalf of
124 St Vincent Street (Glasgow) LLP


S R Thomas
Joint Administrator

DDI 0207 186 1163
Fax 0207 186 1177
Email ben.luxford@moorfieldscr.com

Simon Thomas and Arron Kendall of Moorfields, 88 Wood Street, London, EC2V 7QF were appointed Joint Administrators on 30 September 2016. The Administrators now manage the affairs, business and property of the Partnership. The Joint Administrators act as agents only and without personal liability.

Statutory Information

Partnership Information

Partnership number: SO301584

Registered Office: c/o Moorfields, 101 Rose Street South Lane, Edinburgh, EH2 3JG

Trading Address: 124 St Vincent Street, Glasgow, G2 5RQ

Principal Activity: Buying and selling real estate

Appointment details

Joint Administrators: Simon Thomas and Arron Kendall (IP number's: 8920 & 16050)

Joint Administrators' address: Moorfields, 88 Wood Street, London EC2V 7QF

Date of appointment: 30 September, 2016

Court name and reference: N/a – Qualifying Floating Charge Holder appointment

Appointed by: Promontoria (Ram 2) Limited

Functions: Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Joint Administrators acting jointly or alone.

EC Regulations: The Partnership 's registered office is from where the Partnership carries on its business. Therefore, in the absence of proof to the contrary, the Partnership 's centre of main interests is in the United Kingdom and as such these proceedings will be the main proceedings as defined in article 3 of the EC regulation.

Extensions: The Administration has been extended to 29 September 2018

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Appendix II

Receipts and payments account

124 St Vincent Street (Glasgow) LLP (In Administration) Joint Administrators' Summary of Receipts & Payments			
Statement of Affairs £	From 30/09/2016 To 29/08/2017	From 30/08/2017 To 29/03/2018 £	Cumulative Total £
FIXED CHARGE ASSETS			
4,500,000	Freehold Land & Property	-	-
		-	-
COSTS OF REALISATION			
		-	-
		-	-
FLOATING CHARGE ASSETS			
8,586	Insurance Refund	2,788.15	-
	Cash at Bank	7,285.92	-
	Rent	81,105.00	81,105.00
	Misc receipt	500.00	-
	Bank Interest Gross	4.82	10.79
		91,683.89	81,115.79
			172,799.68
COSTS OF REALISATIONS			
	Preparation of S. of A.	(1,750.00)	-
	Office Holders' Cat 1 disbursements	-	(804.32)
	Water Drainage Charges	-	(6,858.15)
	Legal fees	(705.00)	-
	Taxation fees	(2,500.00)	(2,000.00)
	EPC's	-	(730.00)
	Domain Name	(65.00)	(32.00)
	Service Charge Voids	(53,276.25)	(66,552.50)
	Storage Costs	(8.32)	-
	Insurance of Assets	(500.00)	(16,608.08)
	Insurance	(13,413.07)	-
	Bank Charges	(15.00)	-
	Engineering inspection	(1,131.00)	-
	Managing Agents - VAT Element	-	11,509.20
		(73,363.64)	(82,075.85)
			(155,439.49)
FLOATING CHARGE CREDITORS			
	Floating Charge Creditor	(2,500.00)	-
		(2,500.00)	-
			(2,500.00)
4,508,586		15,820.25	(960.06)
			14,860.19
REPRESENTED BY			
	VAT Receivable		246.00
	Interest Bearing Current Account		20,021.19
	VAT Payable		(5,407.00)
			14,860.19

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Appendix III

Time costs analysis

STV002 - 124 St Vincent Street (Glasgow) LLP
From: 30/06/2017 To: 29/03/2018
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
19 : Case Planning	0.00	0.00	1.20	0.00	1.20	369.00	307.50
13 : Maintenance of Records	0.00	0.00	8.10	0.00	8.10	30.00	369.00
14 : Statutory Reporting	0.00	0.20	2.20	0.00	2.40	717.00	298.75
15 : Case Monitoring	0.00	2.20	0.00	0.00	2.20	1,086.00	493.64
17 : General Administration	0.00	0.00	0.00	0.20	0.20	211.50	1,057.50
16 : Cashflowing	1.10	0.00	4.50	0.70	6.30	3,767.50	598.02
76 : Post appoint VAT and CF returns	0.00	1.00	2.70	0.00	3.70	1,460.50	394.73
Admin & Planning	1.10	3.20	12.20	7.20	23.70	6,743.00	284.51
38 : Freehold / Leasehold Property	0.00	4.50	27.40	0.00	31.90	9,925.00	311.13
36 : Identifying, Securing, Insuring	0.00	0.00	0.00	0.00	0.00	167.50	268.28
Asset Realisation	0.00	4.50	27.40	0.00	31.90	10,092.50	313.24
50 : Creditor Correspondence	0.00	0.00	0.20	0.00	0.20	91.00	455.00
63 : Secured creditor reports	0.00	0.00	1.25	0.00	1.25	375.00	300.00
Creditors	0.00	0.00	1.45	0.00	1.45	466.00	321.38
22 : Antecedent Transactions	0.00	0.45	0.05	0.00	0.50	570.50	1,141.00
Investigations	0.00	0.45	0.05	0.00	0.50	570.50	1,141.00
43 : Planning Trading	0.00	0.00	0.20	0.00	0.20	90.00	450.00
Trading	0.00	0.00	0.20	0.00	0.20	90.00	450.00
Total Hours	1.10	8.20	42.00	7.20	58.50	17,748.00	303.39
Total Fees Claimed						0.00	

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STV002 - 124 St Vincent Street (Glasgow) LLP
From: 30/09/2016 To: 29/03/2018
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
10 : Case Planning	0.00	0.00	0.40	0.00	16.20	6,855.50	418.83
11 : Administrative Set Up	0.00	0.00	0.40	0.00	0.40	162.00	255.00
12 : Appointment Notifications	0.00	0.00	1.20	0.00	1.20	282.00	235.00
13 : Maintenance of Records	0.00	0.00	0.10	0.00	0.10	30.00	300.00
14 : Statutory Reporting	1.00	1.20	27.03	0.00	28.13	8,228.25	273.00
15 : Case Monitoring	0.70	0.20	3.00	1.10	11.20	3,718.50	328.16
17 : General Administration	0.00	0.00	9.10	3.40	12.50	2,921.00	233.00
18 : Cashflowing	2.70	2.00	7.18	15.00	26.88	4,796.50	252.44
70 : Post approval VAT and CT returns	0.00	1.00	10.00	0.00	12.40	3,482.00	281.61
Admin & Planning	13.40	12.10	60.11	19.00	111.11	32,213.75	288.93
77 : Managing Agent	1.00	0.00	21.10	0.00	22.10	6,262.50	284.28
30 : Freehold / Leasehold Property	0.20	27.00	63.00	0.00	97.70	30,962.00	317.11
36 : Identifying, Securing, Insuring	0.00	0.00	1.03	0.00	1.03	452.25	247.13
38 : Asset related legal matters	0.00	0.00	0.20	0.00	0.20	45.00	225.00
Asset Realisation	7.20	27.00	85.73	0.00	121.93	37,781.75	396.86
72 : Legal Matters	2.00	0.00	9.40	0.00	11.40	3,516.00	308.00
Case Specific Matters	2.00	0.00	9.40	0.00	11.40	3,516.00	308.00
50 : Creditor Correspondence	0.00	0.00	0.50	0.00	0.50	128.00	252.00
51 : Unsecured creditor claims	0.00	0.00	0.00	0.00	0.00	243.50	270.56
63 : Secured creditor reports	0.00	0.00	18.15	0.00	18.15	4,846.00	266.94
Creditors	0.00	0.00	18.65	0.00	18.65	5,214.00	286.73
65 : Director's Correspondence	0.30	0.00	1.85	0.00	1.85	579.75	297.31
20 : SFP2 Review	0.00	0.20	0.00	0.00	0.70	336.00	480.00
21 : CDDA Reports	0.00	0.00	1.80	0.00	2.40	672.00	280.00
22 : Antecedent Transactions	0.00	2.50	7.45	0.00	9.95	2,805.77	281.75
Investigations	0.30	2.50	10.30	0.00	13.01	4,163.52	279.47
40 : Management of Operations	0.00	0.00	0.00	0.00	0.00	153.00	255.00
43 : Planning Trading	0.00	0.00	0.30	0.00	0.30	90.00	300.00
Trading	0.00	0.00	0.30	0.00	0.30	243.00	279.00
Total Hours	23.46	43.30	193.66	19.00	279.88	83,148.52	297.17
Total Fees Claimed						8.00	

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Appendix IV

1. Explanation of office-holders charging and disbursement recovery policies

In accordance with best practice we provide below details of policies of Moorfields, in respect of fees and disbursements for work in relation to insolvency estates.

This summary outlines the activities undertaken during this matter to date together with details of charge out rates for time costs incurred and the basis of disbursements incurred and recharged.

The activities are summarised as follows:

1.1. Administration and planning

The following activities have been undertaken:

- Statutory duties associated with the appointment including the filing of relevant notices;
- Notification of the appointment to creditors, members, employees and other interested parties;
- Setting up of case files
- Reviewing available information to determine the appropriate strategy;
- Setting up and maintaining bank accounts;
- Implementing the strategy for the Administration;
- 6 monthly progress reviews of the case;
- Completion of statutory returns to the Insolvency Compliance Unit of the Department for Business Innovation and Skills

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

1.2. Realisation of assets

Appendix II shows the realisations made for the benefit of the creditors. In this case the assets belonging to the Company were as follows;

- 124 St Vincent Street, Glasgow
- Cash at Bank
- Rent

The time spent includes the following matters:

- Liaising with agents in respect of property management and rent collection;
- Dealing with EPC's;
- Corresponding with agents in relation to valuation and realisation of assets.

1.3. Creditors

The time spent includes the following matters:

- Recording and maintaining the list of creditors;
- Recording creditor claims;

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- Dealing with specific creditor calls and correspondence;
- Reporting to creditors;
- Dealing with creditor queries;
- Reviewing and evaluating creditor claims to date.

1.4. Investigations and communications

The time spent includes the following matters:

- Corresponding with Company directors for purposes of conduct report;
- Issuing questionnaires and requests for Statement of Affairs;
- Reviewing Company records and questionnaires and preparing the statutory return in accordance with the requirements of the Department for Business Innovation and Skills.

2.0 Time recording

The Partners will engage managers and other staff to work on the insolvent estate and statutory compliance diaries. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the estate's bank accounts. Work carried out by all staff is subject to the overall supervision of the Partners.

All time spent by staff working directly on case related matters is charged to a time code established for the case. Each member of staff has a specific hourly rate, which is subject to change over time.

The current charge out rates per hour of staff within the 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	£
Partner	545
Director/ Senior Manager	450
Manager	380
Assistant Manager	300
Senior Associate	255
Associate	225
Cashier/ Support	195

The rates charged by Moorfields are reviewed periodically in January & July each year and are adjusted to take account of inflation and the firm's overheads.

Our rates increased on 1 February 2018. The charge out rates per hour for the period from 1 January 2017 to 31 January 2018 were:

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GRADE	£
Partner	530
Director/ Senior Manager	450
Manager	355
Assistant Manager	300
Senior Administrator	255
Administrator	225
Cashier/ Support	195

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 in units of 6 minutes.

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 cost basis the time invoiced 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. The current hourly rates may be higher than the average rates, if hourly rates have increased over the period covered by the fee request.

Approved remuneration will be drawn at such times that sufficient funds are available.

For your information, A Creditor's Guide to Administrators' Fees can be obtained at <http://www.insolvency-practitioners.org.uk/uploads/Admin.pdf>.

3.0 Disbursement recovery

Category 1 Disbursements

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as travelling, postage, photocopying if external provider, statutory advertising and other expenses made on behalf of the assignment.

Such disbursements can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with Statement of Insolvency Practice No. 9, it is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the disbursements drawn.

Category 2 Disbursements

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred by Moorfields for the provision of services which include an element of recharged overhead, for example, room hire or document storage. Statement of Insolvency Practice No. 9 provides that such disbursements are subject to approval as if they were remuneration. It is our

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policy, in line with the Statement, to seek approval for Category 2 disbursements before they are drawn.

The following Category 2 disbursements may be charged by this firm

- Stationery and postage charge for sending out circulars – 5 pence per sheet plus postage at cost.
- A set-up charge of £50 per case for online creditor reporting where applicable
- Mileage allowances are paid at HM Revenue & Customs approved rates. For personnel using their own vehicles, these are currently 45 pence per mile for the first 10,000 miles and 25 pence per mile thereafter.
- A charge of £100 for FAME investigation searches.

It should be noted that disbursements costs might increase from time to time, however, increases would only be in line with inflation or increases from our supplier.