Rule 2 112

Form 2 31B

The Insolvency Act 1986

# Notice of extension of period of administration

| Name of Company | Company number |
|---|---|
| Brookmann Home Manchester 1877 Limited | 00011136 |

| In the | Court case number |
|---|---|
| High Court Manchester District Registry [full name of court] | 4221 of 2013 |

We

Paul Andrew Flint
KPMG LLP
St James' Square
Manchester
M2 6DS

Brian Green
KPMG LLP
St James' Square
Manchester
M2 6DS

having been appointed Joint Administrators of Brookmann Home Manchester 1877 Limited (the 'Company')

on 25 November 2013 and by Directors

hereby give notice that the administration has been extended

* ~~by order of the court~~
* with the consent of the Company's creditors

Until 24 May 2015

Signed

Joint Administrator

Dated 24 November 2014

**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

Tom Johnson
KPMG LLP
St James' Square
Manchester
M2 6DS
United Kingdom
DX 724620 Manchester 42
Tel 0161 2464102

MONDAY
*A3LTA2SO*
A22 01/12/2014 #22
COMPANIES HOUSE

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**

KPMG

**Brookmann Home Manchester 1877 Limited (in Administration)**

# Report to Creditors pursuant to Rule 2.112(2) and Paragraph 2.47 of the Insolvency (Amendment) Rules 2003

KPMG LLP

19 November 2014

*This report contains 10 pages*

*Appendices contain 7 pages*

PF/JN/TJ

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## Notice: about this report

This Report has been prepared by Paul Flint and Brian Green, the Joint Administrators of Brookmann Home Manchester 1877 Limited, solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the Administration, and for no other purpose It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context

This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in Brookmann Home Manchester 1877 Limited Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors

Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Rules 1986 does so at its own risk To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person

Paul Flint and Brian Green are authorised to act as insolvency practitioners by the Institute of Chartered Accountants of England and Wales

The Joint Administrators act as agents for Brookmann Home Manchester 1877 Limited and contract without personal liability The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the Administration

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**Appendices**

1 Statutory Information
2 Joint Administrators' receipts and payments account for the Period
3 Analysis of Joint Administrators' time costs for the Period
4 Schedule of expenses for the Period

# 1 Glossary

| | |
|---|---|
| Act | The Insolvency Act 1986 |
| Administration | The Administration Order granted by the High Court of Justice, Chancery Division, Manchester District Registry in respect of Brookmann Home Manchester 1877 Limited on 25 November 2013 Court case number 4221 of 2013 |
| Agents | Sanderson Weatherall LLP |
| Company/BHM1877 | Brookmann Home Manchester 1877 Limited (in Administration) |
| CVA | The Voluntary Arrangement reached by Brookmann Home Manchester 1877 Limited with its creditors on 28 May 2013 |
| Directors | Myron Tennyson Mann and Charles Senter Brook Johnson, directors of Brookmann Home Manchester 1877 Limited |
| HMRC | HM Revenue and Customs |
| Joint Administrators | Paul Andrew Flint and Brian Green of KPMG LLP |
| KPMG | KPMG LLP |
| Legal Advisers/Solicitors | Turner Parkinson LLP |
| NoI | Notice of Intention to appoint Administrators |
| Period | The period from 25 May 2014 to 1 November 2014 |
| Purchaser/VHL | Vantona Home Limited |
| Rules | The Insolvency Rules 1986 |
| RoT | Retention of title |
| SIP | Statement of Insolvency Practice |
| Secured Lender/Aldermore | Aldermore Invoice Finance, a division of Aldermore Bank Plc |

| | |
|---|---|
| Supervisors | Paul Andrew Flint and Brian Green of KPMG LLP were appointed as Joint Supervisors of Brookmann Home Manchester 1877 Limited on 28 May 2013, following the meetings of creditors and members in accordance with Section 4(6) of the Insolvency Act 1986 and Rule 1 24 of the Insolvency Rules 1986 CVA 3408 of 2013 |
| TUPE | Transfer of Undertakings (Protection of Employment) Regulations 2006 |

# 2 Executive summary

- Paul Flint and Brian Green of KPMG LLP were appointed as Joint Administrators of the Company on 25 November 2013 by the directors of the Company, pursuant to Paragraph 22 of Schedule B1 to the Act
- The appointment of the Joint Administrators followed a Voluntary Arrangement ("CVA"), to which Paul Flint and Brian Green were appointed Supervisors The CVA was terminated on 25 November 2013 The background is discussed in more detail in our previous reports
- This report covers the period from 25 May 2014 to 1 November 2014 (the "Period") and is intended to provide an update of the Administration in accordance with Rule 2 47 of the Insolvency (Amendment) Rules 2003 It should be read in conjunction with the Joint Administrators' previous reports
- The Joint Administrators' Statement of Proposals, as circulated to all known creditors on 17 January 2014, was deemed to have been approved on 29 January 2014, pursuant to Rule 2 33 (5A) of the Insolvency Rules 1986
- The Joint Administrators' Progress Report for the period 25 November to 24 May 2014 was circulated to all known creditors on 24 June 2014
- As detailed in our previous report, a sale of the Company's business and assets was concluded immediately following the Joint Administrators' appointment to Vantona Home Limited ("VHL") for total consideration of £587,500
- To date, the Joint Administrators have received a total of £500,000 in respect of the sale It has been agreed in conjunction with the Secured Lender that this shall constitute full and final consideration due to the early settlement The Secured Lender is the creditor with the main economic interest in the outcome and funds realised from the Administration process
- The Secured Lender holds a debenture providing fixed and floating charges over the Company and its assets registered at Companies House on 7 August 2012 At the date of appointment a total of £1,911,000 was outstanding to the Secured Lender A total of £403,000 has been distributed to the Secured Lender, of which £266,000 was distributed in the Period Given the anticipated level of realisations in the Administration, it is likely that the Secured Lender will suffer a significant shortfall on its indebtedness
- There are no preferential claims in respect of unpaid wages or holiday pay as all of the employees of the Company transferred to VHL at the date of appointment However, there are claims in relation to the redundancy of certain employees in the CVA It is unlikely that a distribution to preferential creditors will be made as there are insufficient floating charge assets available after the costs of realisation have been met
- The Company has indicated that unsecured creditor claims total £72,765 This is claims that have accrued purely in the period from the date that the CVA was accepted to the date of our appointment as Joint Administrators Based on current information it is anticipated that there will not be a dividend to unsecured creditors

- The Administration order is due to expire on 24 November 2014, however the Joint Administrators are investigating further an issue surrounding the Company's possible freehold interest in a piece of land The purpose of this report is to request the consent of the Secured Creditor to an extension of the Administration period for a further six months

Yours faithfully

PA Flint
*Joint Administrator*

# 3 Statement of proposals

The Joint Administrators' Statement of Proposals was circulated on 17 January 2014

Pursuant to Paragraph 52 (1)(b) of schedule B1 to the Act, a creditors' meeting was not convened and one was not subsequently requisitioned As a result the Statement of Proposals, as circulated, was deemed to have been approved on 29 January 2014 pursuant to Rule 2 33 (5A) with the exception of the provisions for the Joint Administrators' fees and discharge of liability

# 4 Progress of the Administration

## 4.1 Sale of business

As outlined in our previous reports, the business and assets of the Company were sold to VHL, a company controlled by the former Directors of the Company, for £587,500 This represented the best offer with regards to return for creditors and the future of the Company's employees, who were transferred to VHL under TUPE legislation

The total consideration was allocated to the Company's assets as follows

- Intellectual Property, archives and records £535,500
- Goodwill £30,000
- Inventory £10,000
- Fixtures & Fitting £12,000

Day one consideration of £200,000 was paid on 26 November 2013 to the Joint Administrators' Legal Advisers and subsequently remitted to the Joint Administrators on 6 December 2013 The remaining element of the consideration was agreed to be deferred and paid in instalments as detailed in our latest progress report

To date, the Joint Administrators have received a total of £500,000 in respect of the sale It has been agreed by the Joint Administrators and the Secured Lender that this shall constitute full and final consideration due to the early settlement

Discussions were had with the Company's Secured Lender on receipt of an offer from the Purchaser to fast track payments of the deferred consideration in order to reach a full and final settlement agreement These discussions were based on the fact that the costs of keeping open the Administration indefinitely whilst waiting for the deferred consideration to be paid could be avoided, as could the potential legal and professional costs in chasing any unpaid amounts For the avoidance of doubt, the Secured Lender is the party with the main economic interest in those proceedings

## 4.2 Communication

The Joint Administrators wrote to all known creditors informing them of their appointment on 25 November 2013

Following this, the Joint Administrators' Statement of Proposals was circulated to all creditors of the Company on 17 January 2014

The Joint Administrators' first progress report was circulated to all known creditors of the Company on 24 June 2014

## 4 3 Estimated outcome for creditors

### 4 3 1 Secured creditors

The Secured Lender holds a debenture dated 7 August 2012 providing fixed and floating charges over the Company and its assets

The Joint Administrators instructed our Legal Advisers to review the security held by the Secured Lender and they have confirmed its validity

At the date of the Joint Administrators' appointment, £1,911,000 was owed by the Company to the Secured Lender To date £403,000 has been distributed to the Secured Lender, of which £266,000 was distributed in the Period It is currently envisaged that the Secured Lender will suffer a significant shortfall against its indebtedness

### 4 3 2 Preferential creditors

All of the Company's employees transferred to VHL on the date of appointment under TUPE regulations and as such there are no claims from preferential creditors in relation to wage arrears or holiday pay

However, as a result of the redundancy of certain employees prior to the approval of the CVA by the Company's creditors and members, preferential claims will exist in the Administration in respect of such claims that would have arisen during the CVA Thereby, claims will exist from the Redundancy Payments Office and the Pension Protection Fund, in respect of the preferential element of unpaid wages and holiday pay and unpaid pension contributions, respectively

Given the level of realisations in the Administration, it is not anticipated that a distribution will be made to preferential creditors

### 4 3 3 Prescribed Part

Due to the level of realisations in the Administration, no prescribed part payment will be made available to unsecured creditors

### 4 3 4 Unsecured creditors

Based on current information the Joint Administrators anticipate that there will be insufficient funds to make a distribution to the Company's unsecured creditors

## 4 4 Expenses for the period

### 4 4 1 Receipts and payments

The receipts and payments for the Period are set out in the attached Receipts and Payments account (see Appendix 2)

### 4 4 2 Office holders' remuneration

No fees have been drawn during the Period

The Joint Administrators' time costs for the Period are £32,418 as detailed in Appendix 3 Approval shall be sought from the Secured Lender prior to any fees being drawn by the Joint Administrators

The statutory provisions relating to remuneration are set out in Rule 2 106 of the Rules

A creditors' guide to fees can be accessed at

http //www r3 org uk/media/documents/technical_library/SIPS/SIP%209%20E&W pdf

However, if you are unable to access this guide and would like a copy please contact Tom Johnson at KPMG LLP, St James' Square, Manchester, M2 6DS

The Joint Administrators will propose that their remuneration be fixed on the basis of time properly given by them and their staff in dealing with matters arising in the Administration at their normal hourly rate of charging

Under Rule 2 106 of the Rules, where the Administrator has made a statement under Paragraph 52(1)(b) of Schedule B1 of the Act that, on the basis that there will be no surplus available to creditors, there will be no meeting of creditors convened then the proposals relating to Administrators' remuneration shall be taken as passed if passed with the approval of each secured creditor of the Company, and also the approval of the preferential creditors (whose debt amounts to more than 50% of the total preferential debt) where the Administrator intends to make a preferential distribution

Creditors are reminded that the quantum of office holder remuneration can be challenged by unsecured creditors representing at least 10% by value of total unsecured claims, including that creditor's claim, by making an application to court in accordance with Rule 2 109 of the Rules The full text of this rule can also be provided on request

Please note that no fees or disbursements have been drawn by the Joint Administrators to date In accordance with Rule 2 106, the Joint Administrators are in the process of seeking approval from both the secured creditors, and the preferential creditors where applicable, prior to the drawing of any fees or disbursements

### 4 4 3 Expenses

Expenses (including fees and disbursements) for the Period total £43,519 including amounts not yet paid (see Appendix 4 for details)

Details of the amount accrued for the office holders' remuneration are discussed above and other key amounts that require explanation are dealt with in detail below As set out above, additional information about expenses charged for the period is available from the office holder upon request by any secured creditor, and any other creditor or creditors owed 5% or more in value of the unsecured liabilities listed Full details of the process to obtain more information under Rule 2 48A of the Insolvency Rules 1986 (as amended) and to challenge the Joint Administrators' remuneration and expenses under Rule 2 109 of the Insolvency Rules 1986 (as amended) are explained above

# 5 Extension

## 5 1 Extension of the Administration

Pursuant to Paragraph 76(1) of Schedule B1 to the Insolvency Act 1986, the Administration will automatically terminate at midnight on 24 November 2014 The Joint Administrators however are not in a position to finalise the Administration prior to the automatic expiration date for the following reasons

- an outstanding matter concerning freehold land The Joint Administrators and their Legal Advisers are currently investigating the ownership of a piece of land, which it is believed may potentially be an asset of the Company, and
- arranging payment of all Administration liabilities and completion of on-going statutory matters associated with the Administration

In accordance with Paragraph 78(2) of Schedule B1 to the Insolvency Act 1986, The Joint Administrators' term in office may be extended for six months by consent of the Company's Secured Creditor

This Report requests a six month extension to 24 May 2015 in order to deal with the outstanding matters detailed above It is however likely that matters will be brought to a close well before the expiry date of any period of extension

The Joint Administrators propose the following resolution

**Resolution:**

- That the period of the Administration be extended by six months from 24 November 2014 to 24 May 2015

# 6 Comments on the appendices

## 6.1 Appendix 1: Statutory Information

Information to creditors required by statute is contained in Appendix 1 to this report

## 6 2 Appendix 2: Receipts and payments account for the Period

An analysis of receipts and payments for the Period is contained in Appendix 2

This takes account of receipts and payments on a cash basis and does not show future receipts and payments receivable/payable All figures are stated net of VAT

### 6 2 1 Receipts

#### 6 2 1 1 *Sale of the business and assets*

During the Period, the Joint Administrators have received £200,000 in respect of deferred consideration from VHL

The consideration received has been apportioned on a pro-rated basis, in line with the apportionment of the total consideration as set out in section 4 1 of this report and is detailed below

| | In the Period | Total to date |
|---|---|---|
| Intellectual Property | £182,298 | £455,745 |
| Goodwill | £10,213 | £25,532 |
| Stock | £3,404 | £8,510 |
| Furniture and Equipment | £4,085 | £10,209 |
| IT Equipment | - | £1 |
| Business Information | - | £1 |
| Records | - | £1 |
| Contracts | - | £1 |
| Total | £200,000 | £500,000 |

#### 6 2 1 2 *Bank interest*

Bank interest of £192 has been received on funds held in the Administration bank accounts during the Period

### 6 2 2 Payments

#### 6 2 2 1 *Legal fees*

A total of £6,081 has been paid to our Legal Advisers in the Period for providing assistance with various matters in relation to the Administration

#### 6 2 2 2 *Bank charges*

A total of £20 has been paid in respect of bank charges during the Period

#### 6 2 2 3 *Distribution to the Secured Lender*

A payment of £266,000 has been distributed to the Secured Lender during the Period

## 6 3 Appendix 3: Analysis of the office holders' time costs

An analysis of the Joint Administrators' time costs for the Period is contained in Appendix 3 of this report

During the Period, the Joint Administrators have incurred time costs of £32,418 representing 98 hours at an average hourly rate of £331

The Joint Administrators have been involved in the following activities, amongst others

- A total of £8,290 in time costs has been incurred in relation to the Joint Administrators' statutory duty to report on the conduct of the Directors
- A total of £6,665 in time costs has been incurred dealing with the deferred consideration aspect of the asset sales
- A total of £5,448 in time costs has been incurred in relation to reporting to creditors
- A total of £3,430 in time costs has been incurred in completing statutory checklists and reviews in relation to the Administration

## 6 4 Appendix 4: Expenses for the Period

Expenses for the Period are summarised in Appendix 4 which include the time costs as analysed in Appendix 3

Expenses for this Period total £43,519 of which £6;101 has been paid in the Period and £37,418 is accrued Accrued expenses are for the Joint Administrators' fees (approval for payment of these will be sought from the relevant creditors in due course) and for legal advice received in the Period

Legal fees accrued in the period relate primarily to assisting the Joint Administrators in locating title deeds and documents in respect of the plot of land referred to earlier in this report

# Appendix 1

## Statutory information

| | |
|---|---|
| Company name | Brookmann Home Manchester 1877 Limited |
| Court details | The Administration Order granted by the High Court of Justice, Chancery Division, Manchester District Registry Court case number 4221 of 2013 |
| Date of appointment | 25 November 2013 |
| Functions | The functions of the Administrators are being exercised by each or all of them in accordance with Paragraph 100(2) of Schedule B1 of the Act |
| Date of incorporation | 19 January 1877 |
| Registered number | 00011136 |
| Present registered office | c/o KPMG LLP<br>St James' Square<br>Manchester<br>M2 6DS |
| Previous registered office | C/o UHY Hacker Young Manchester LLP<br>St James Building<br>79 Oxford Street<br>Manchester<br>M1 6HT |
| Issued share capital | Ordinary shares 33,765,961 £1 shares |
| Shareholders | Brookmann Home Ltd (in Liquidation) – 100% |
| Directors | Myron Tennyson Mann<br>Charles Senter Brook Johnson |
| Company secretary | Not applicable |
| Employees | 8 |

# Appendix 2

## Office holders' receipts and payments account for the Period

**Brookmann Home Manchester 1877 Limited - in Administration**
**Joint Administrators' abstract of receipts & payments**

| Statement of affairs (£) | | From 25/05/2014 To 01/11/2014 (£) | From 25/11/2013 To 01/11/2014 (£) |
|---|---|---|---|
| | FIXED CHARGE ASSETS | | |
| 57,248 00 | Book debts | NIL | NIL |
| 535,000 00 | Intellectual Property | 182,298 00 | 455,745 00 |
| 30,000 00 | Goodwill | 10,213 00 | 25,532 00 |
| | Bank interest, gross | 182 56 | 262 39 |
| | | 192,693 56 | 481,539 39 |
| | FIXED CHARGE COSTS | | |
| | Legal fees | (4,500 00) | (12,655 00) |
| | Bank charges | (20 00) | (80 00) |
| | | (4,520 00) | (12,735 00) |
| | FIXED CHARGE CREDITORS | | |
| (1,910,603 00) | Aldermore Invoice Finance | (266,000 00) | (403,000 00) |
| | | (266,000 00) | (403,000 00) |
| | ASSET REALISATIONS | | |
| 1 00 | IT Equipment | NIL | 1 00 |
| 11,996 00 | Furniture & equipment | 4,085 00 | 10,209 00 |
| 10,000 00 | Stock | 3,404 00 | 8,510 00 |
| 1 00 | Business Information | NIL | 1 00 |
| 1 00 | Records | NIL | 1 00 |
| | Petty Cash | NIL | 18 12 |
| 1 00 | Contracts | NIL | 1 00 |
| | Cash at bank | NIL | 20 86 |
| | | 7,489 00 | 18,761 98 |
| | OTHER REALISATIONS | | |
| | Bank interest, gross | 9 31 | 13 30 |

**Brookmann Home Manchester 1877 Limited - in Administration**
**Joint Administrators' abstract of receipts & payments**

| Statement of affairs (£) | | From 25/05/2014 To 01/11/2014 (£) | From 25/11/2013 To 01/11/2014 (£) |
|---|---|---|---|
| | Rates refund | 1,542 20 | 1,542 20 |
| | | 1 551 51 | 1,555 50 |
| | COST OF REALISATIONS | | |
| | Agents'/Valuers' fees | NIL | (4,892 42) |
| | Legal fees | (1,581 00) | (3,581 00) |
| | Storage costs | NIL | (256 50) |
| | Re-direction of mail | NIL | (120 00) |
| | Insurance of assets | NIL | (265 00) |
| | | (1,581 00) | (9,114 92) |
| **(1,266,355 00)** | | **(70,366 93)** | **77,006 95** |
| | REPRESENTED BY | | |
| | Floating ch VAT rec'able | | 1,053 98 |
| | Fixed charge current | | 64,904 39 |
| | Floating charge current | | 10,599 88 |
| | Fixed charge VAT rec'able | | 2,500 00 |
| | Floating ch VAT control | | (451 30) |
| | Fixed charge VAT control | | (1,600 00) |
| | | **(70,366 93)** | **77,006 95** |

# Appendix 3

## Analysis of office holders' time costs for the Period

**SIP 9 - Time costs analysis (25/05/2014 to 01/11/2014)**

| | Hours | | | | | | |
|---|---|---|---|---|---|---|---|
| | Partner / Director | Manager | Administrator | Support | **Total** | Time Cost (£) | Average Hourly Rate (£) |
| **Administration & planning** | | | | | | | |
| Cashiering | | | | | | | |
| General (Cashiering) | | | 5 40 | | **5 40** | 1,078 50 | 199 72 |
| Reconciliations (& IPS accounting reviews) | | | 0 30 | | **0 30** | 81 00 | 270 00 |
| General | | | | | | | |
| Books and records | | | 0 50 | | **0 50** | 97 50 | 195 00 |
| Statutory and compliance | | | | | | | |
| Checklist & reviews | 1 00 | 1 00 | 10 00 | | **12 00** | 3,430 00 | 285 83 |
| Statutory receipts and payments accounts | | | 0 30 | | **0 30** | 79 50 | 265 00 |
| Tax | | | | | | | |
| Post appointment corporation tax | | 0 50 | 0 40 | | **0 90** | 314 50 | 349 44 |
| Post appointment VAT | 0 10 | 0 60 | | | **0 70** | 289 50 | 413 57 |
| **Creditors** | | | | | | | |
| Creditors and claims | | | | | | | |
| General correspondence | | 1 00 | 1 00 | | **2 00** | 670 00 | 335 00 |
| Secured creditors | | 5 60 | | | **5 60** | 2,660 00 | 475 00 |
| Statutory reports | 0 50 | 3 00 | 14 00 | | **17 50** | 5,447 50 | 311 29 |
| Employees | | | | | | | |
| Pension funds | | | 0 60 | | **0 60** | 159 00 | 265 00 |
| **Investigation** | | | | | | | |
| Directors | | | | | | | |
| D form drafting and submission | 0 50 | 8 50 | 20 00 | | **29 00** | 8,290 00 | 285 86 |

**SIP 9 - Time costs analysis (25/05/2014 to 01/11/2014)**

| | Hours | | | | | Time Cost (£) | Average Hourly Rate (£) |
|---|---|---|---|---|---|---|---|
| | Partner / Director | Manager | Administrator | Support | **Total** | | |
| Directors' questionnaire / checklist | 0 50 | | | | **0 50** | 242 50 | 485 00 |
| Investigations | | | | | | | |
| Correspondence re investigations | | 4 00 | 3 00 | | **7 00** | 2,495 00 | 356 43 |
| **Realisation of assets** | | | | | | | |
| Asset Realisation | | | | | | | |
| Cash and investments | | | 1 00 | | **1 00** | 265 00 | 265 00 |
| Deferred consideration | | 14 00 | | | **14.00** | 6,665 00 | 476 07 |
| Other assets | | | 0 75 | | **0 75** | 153 75 | 205 00 |
| **Total in period** | **2 60** | **38 20** | **57 25** | **0 00** | **98 05** | **32,418 25** | **330 63** |

| | | |
|---|---|---|
| Brought forward time (appointment date to SIP 9 period start date) | 311 35 | 92,854 75 |
| SIP 9 period time (SIP 9 period start date to SIP 9 period end date) | 98 05 | 32,418 25 |
| Carry forward time (appointment date to SIP 9 period end date) | 409 40 | 125,273 00 |

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates

All time shown in the above analysis is charged in units of six minutes

**Charge-out rates (£) for: CRS**

| Grade | From 01 Oct 2013 £/hr | From 01 Oct 2014 £/hr |
|---|---|---|
| Partner | 565 | 595 |
| Director | 485 | 535 |
| Senior Manager | 475 | 485 |
| Manager | 385 | 405 |
| Senior Administrator | 265 | 280 |
| Administrator | 195 | 205 |
| Support | 120 | 125 |

**SIP 9 - Disbursements**

| | Category 1 | | Category 2 | | |
|---|---|---|---|---|---|
| Disbursements | Paid (£) | Unpaid (£) | Paid (£) | Unpaid (£) | **Totals (£)** |
| **Total** | **NIL** | | **NIL** | | **NIL** |

## KPMG Restructuring policy for the recovery of disbursements

Where funds permit, the officeholder will look to recover both category 1 and category 2 disbursements from the estate For the avoidance of doubt, such expenses are defined within SIP 9 as follows

- **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 These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff
- **Category 2 disbursements** These are costs that are directly referable to the appointment in question but not to a payment 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, for example, business mileage

Any disbursements paid from the estate are disclosed within the attached summary of disbursements

The only Category 2 disbursements for which KPMG Restructuring currently charge is mileage, which is calculated as follows:

Mileage claims fall into three categories

- Use of privately-owned vehicle or car cash alternative – 45p per mile
- Use of company car – 60p per mile
- Use of partner's car – 60p per mile

For all of the above car types, when carrying passengers an additional 5p per mile per passenger will also be charged where appropriate

# Appendix 4

## Schedule of expenses for the Period

| Section | Account | Accrued in Period (£) | Paid in Period (£) | Total in prior periods (£) | Total to date (£) |
|---|---|---|---|---|---|
| **Fixed charge costs** | Bank Charges | - | 20 | 60 | 80 |
| **Cost of realisations** | Legal costs and disbursements | 5,000 | 6,081 | 10,155 | 21,236 |
| | Agents' costs and disbursements | - | - | 4,892 | 4,892 |
| **Administrators' time costs** | Administrators' time costs | 32,418 | - | 92,855 | 125,273 |
| **TOTAL** | | **37,418** | **6,101** | **107,962** | **151,481** |

To determine if the quantum of the fees to be taken is reasonable, the analysis included at Appendix 3 should be reviewed and any additional information can be requested by any secured creditor or any unsecured creditor(s) with at least 5% in value of the unsecured debt in accordance with rule 2 48A of the Act This request must be made within 21 days receipt of this report The full text of that rule can be provided on request In addition creditors are reminded that the quantum can be challenged by unsecured creditor(s) with at least 10% in value excluding that creditors claim by making an application to court in accordance with rule 2 109 of the Act The full text of this rule can also be provided on request