

The Insolvency Act 1986

Administrator's progress report

2.24B

Name of Company A LEVY & SON LIMITED	Company number 00487019
In the High Court of Justice, London [full name of court]	Court case number 2016-000079

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

I/We (a) N A Bennett & A D Cadwallader of Leonard Curtis, 5th Floor,
Grove House, 248a Marylebone Road, London NW1 6BB

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

from

to

(b) Insert dates

(b) 19 January 2016

(b) 18 July 2016

Signed


Joint Administrator

Dated

12 August 2016

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.

Leonard Curtis	
5th Floor, Grove House, 248a Marylebone Road, London NW1 6BB	
Ref SMT/18	Tel 020 7535 7000
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

SATURDAY



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**A. LEVY & SON LIMITED
(IN ADMINISTRATION)**

Registered Number: 00487019

**Joint Administrators' First Progress Report
for the period from 19 January 2016 to 18 July 2016**

12 August 2016

Leonard Curtis
5th Floor, Grove House, 248a Marylebone Road
London NW1 6BB
Tel 020 7535 7000 Fax 020 7723 6059
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Ref L/18/SMT/SALE06/1010

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TO ALL CREDITORS AND THE REGISTRAR OF COMPANIES

1 STATUTORY INFORMATION

- 1.1 I was appointed Joint Administrator of A Levy & Son Limited ("the Company") together with A D Cadwallader on 19 January 2016. A D Cadwallader is licensed in the UK by the Institute of Chartered Accountants in England and Wales and I am licensed in the UK by the Insolvency Practitioners Association. The appointment of the Joint Administrators ("the Joint Administrators") was made by Steven Cohen, a director of the Company.
- 1.2 The Administration proceedings are under the jurisdiction of the High Court of Justice under Court reference number 000079 of 2016.
- 1.3 In accordance with paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 ("the Act"), the function of the Joint Administrators may be exercised by either or both, acting jointly or alone. There have been no changes in office-holder and the initial period of the Joint Administrators' appointment has not been extended.
- 1.4 The principal trading activity of the Company was the retail of fashion clothing, primarily boyswear and menswear, which it sold under three retail fascias: Blue Inc, Blue Inc Outlet and Officers Club. The Company was acquired by Marlow Retail Limited ("Marlow"), which is 100% owned by Blue Inc (UK) Limited ("Blue Inc") (together "the Group"), in January 2006 and, through a combination of acquisitions and organic growth, expanded from 28 stores in the UK with a turnover of £12million to over 200 stores with a turnover of over £100million. In an attempt to raise additional finance, in early 2014, the Group sought an initial public offering (IPO) on AIM, however, this was aborted due to turbulent market conditions and various other unsuccessful retail floats at that time. Additional funding of £4million was made via a loan from Blue Inc in November 2014. This loan was utilised to refurbish selected stores and to assist with improvements across the supply chain. However, despite this additional finance, a number of stores remained underperforming and loss making. In addition, trading conditions remained difficult in the clothing sector caused by the unseasonably warm autumn/mild winter and the failure to dispose of winter stock at the anticipated and budgeted levels. As a result, the Company had been subject to increasing creditor pressure, primarily from landlords and HM Revenue & Customs.
- 1.5 The Company's registered office was changed from 64 New Cavendish Street, London W1G 8TB to One Great Cumberland Place, Marble Arch, London W1H 7LW following our appointment and thereafter to 5th Floor, Grove House, 248a Marylebone Road, London NW1 6BB. The registered number is 00487019.
- 1.6 On 11 February 2016 we sent a statement of the Joint Administrators' proposals to all creditors of the Company. In accordance with paragraph 52 of Schedule B1 of the Act, a meeting of creditors was not called as we thought that, on the basis of information available at the time, the Company would have insufficient property after costs to enable a distribution to be made to unsecured creditors other than by virtue of Section 176(A)(2)(a) of the Act (prescribed part). No meeting of creditors was requisitioned and the proposals were therefore deemed to have been approved on 25 February 2016. There have been no major amendments to, or deviations from, those proposals.
- 1.7 The Company's main centre of operations is based in the UK. The EC Regulation on Insolvency Proceedings applies and the proceedings are main proceedings under the Regulation.

2 STEPS TAKEN DURING THE ADMINISTRATION AND PROGRESS TO DATE

2.1 This report should be read in conjunction with the Joint Administrators' previous report dated 11 February 2016

2.2 Professional agents, Hilco Valuation Services ("Hilco"), were instructed to provide a valuation of the Company's assets and advise on the optimum realisation and sale strategy

2.3 Colliers International ("Colliers"), were also instructed to undertake a desktop valuation of the Company's leasehold interests

2.4 Squire Patton Boggs (UK) LLP, solicitors, were instructed to advise on and prepare the documentation for the Joint Administrators' appointment and any legal issues generally. They were also instructed to prepare the sale and purchase agreement. Following our appointment they have been instructed to deal with all leasehold matters.

2.5 As previously advised, a sale of the Company's business and assets to Blue Inc was completed by way of a sale and purchase agreement ("SPA") on 19 January 2016. Steven Cohen and Yechezkel Yechiel, directors of the Company, are involved in the management of Blue Inc. In addition, Blue Inc are the ultimate shareholder of the Company and also hold a debenture over the Company. The Company's assets bought by Blue Inc as detailed in the SPA comprised:

- the Goodwill
- the Intellectual Property
- the Equipment, Fixtures and Fittings
- the Company's right, title and interest in the Stock
- the Motor Vehicles

2.6 As part of the sale Blue Inc were granted a licence to occupy 157 premises for a 12 month period from 20 January 2016.

2.7 Excluded Assets

2.7.1 The sale specifically excluded the leasehold interest of 76 stores which were closed on appointment, the balance at bank, all book debts and prepayments.

Balance at Bank

2.7.2 The Company operated current, reserve and foreign currency accounts with Barclays Bank Plc ("Barclays"). At the date of Administration, the aggregated balance at bank was £1.99million after the payment of the HMRC Duty Deferment Bond of £197,303. The balance at bank has been recovered in full less Barclays bank charges and interest of £46,562.

Prepayments

2.7.3 CAPA, Goodman Nash and Kingford Partnership Limited have been instructed following our appointment to assist with the collection of rates refunds.

2.7.4 To date, they have recovered £260,036 of rates refunds and it is anticipated that a further £50,000 may be realised.

2.8 Other Assets

Sundry receipts of £43,904 have been recovered and bank interest of £1,315.

A. Levy & Son Limited – In Administration

2 9 Premises

2 9 1 Of the 157 premises occupied by Blue Inc under the licence to occupy, 58 leases have now been assigned or surrendered. There are 99 stores which Blue Inc continue to occupy under the licence.

2 9 2 Of the 76 stores which were closed on appointment we are yet to surrender 48 of these leases.

2 10 Secured Creditors

2 10 1 Barclays hold a fixed and floating charge dated 12 June 2006 over the assets of the Company. Barclays were not owed any monies at the date of appointment and we refer you to paragraph 2 7 2 above.

2 10 2 Blue Inc hold a fixed and floating charge dated 4 November 2014 over the assets of the Company. Blue Inc were owed £4.3million at the date of appointment.

2 10 3 Blue Inc have been paid £1.65million under their charge. A further distribution of approximately £11,000 will be paid under their fixed charge, however, it is unlikely that a further distribution will be made under their floating charge.

2 11 Preferential Claims

2 11 1 The only categories of claims which have preferential status are those of employees in respect of unpaid wages, accrued holiday pay and unpaid pension contributions. The Joint Administrators instructed employment specialists, Insol Group Limited ("Insol"), to deal with the claims of the redundant employees who had worked at the 76 closed stores.

2 11 2 Insol are currently awaiting the Redundancy Payments Office's claim in order to agree preferential claims, which are estimated to total £650,000. Once these are agreed they will be paid in full.

2 12 Prescribed Part

2 12 1 The Act provides that, where a company has created a floating charge after 15 September 2003, we must make a prescribed part of the Company's net property available to the unsecured creditors.

2 12 2 Based on current information the prescribed part of assets available to unsecured creditors is £375,000. The final quantum of the prescribed part will however depend on any further realisations, future costs and the final amount of preferential claims.

2 13 Unsecured Creditors

We expect that the only funds available for distribution to unsecured creditors will be by virtue of the prescribed part.

2 14 Investigations

2 14 1 We have complied with our statutory obligations under the Company Directors Disqualification Act 1986 and a report has been submitted to the appropriate authority.

2 14 2 We have carried out enquiries that we considered to be proportionate to the circumstances of the case. After completing these we were of the opinion that there were no matters that might lead to recoveries for the estate and that no further investigation was appropriate.

2 15 Receipts and Payments

2 15 1 Attached as Appendix A is a summary of our receipts and payments account for the period from 19 January 2016 to 18 July 2016. This shows what assets of the Company have been realised and for what value and what payments have been made to creditors or others.

2 15 2 It also shows details of expenses incurred and paid during the period of this report.

2 15 3 In addition, the following expenses (other than category 2 disbursements (see paragraph 4.6 below)) were also incurred during the period of this report but have not been paid. Where exact sums are not available, the figures have been estimated.

Detail	£
Postage	26 75
Total	26 75

3 ACHIEVING THE PURPOSE OF ADMINISTRATION

3 1 As advised in our previous report dated 11 February 2016, the Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:

- (a) rescuing the Company as a going concern, or (if this cannot be achieved)
- (b) achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration), or (if (a) and (b) cannot be achieved)
- (c) realising property in order to make a distribution to one or more secured or preferential creditors.

3 2 We are obliged to perform our functions in the interests of the Company's creditors as a whole and, where the objective of the Administration is to realise property in order to make a distribution to secured or preferential creditors, we have a duty not to unnecessarily harm the interests of the creditors as a whole.

3 3 It was not possible to achieve the first objective unless external funds were introduced to provide working capital and to finance a Company Voluntary Arrangement. Neither the directors, the principal shareholder nor secured creditors were prepared to provide further funding and the Company was unable to survive in its current form. The Company continued to be loss making and required extensive restructuring of the business.

3 4 It is anticipated that objective b) will be achieved as this will result in greater realisations and a reduction in secured, preferential and unsecured creditor claims. The achievement of this objective will not unnecessarily harm the interest of the creditors as a whole.

3 5 Objective (c) has been achieved as a distribution has been made to Blue Inc, as secured creditor, and preferential creditors will be repaid in full.

3 6 The Administration has been, and will continue to be, financed by monies received from asset realisations.

4 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

- 4.1 The Joint Administrators' proposals, as approved, stated that "The Joint Administrators think that the Company will have insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of Section 176(A)(2)(a) of the Insolvency Act 1986 (prescribed part, if any)"
- 4.2 In view of this the Joint Administrators' remuneration is required to be fixed with the approval of
- (a) each secured creditor of the Company and, if we have made or intend to make a distribution to preferential creditors,
 - (b) preferential creditors whose debts amount to more than 50% of the preferential debts of the Company, disregarding debts of any creditors who do not respond to an invitation to give or withhold approval
- 4.3 In accordance with the provisions of Rule 2.106(2) of the Insolvency Rules 1986 it may be fixed as a percentage of the assets realised and distributed in the Administration, as a set amount or by reference to the time spent. In this case, the above creditors have approved the last mentioned and by reference to a Fees Estimate of £277,610.00
- 4.4 As advised in our previous report dated 11 February 2016, the Joint Administrators' time costs at 31 January 2016 were £57,325.00. Since that time further costs of £286,737 have been incurred. These total costs are summarised at Appendix B and comprise 1308.5 hours at an average rate of £262.94 per hour. Details of our company's charge out rates and policy regarding the recharge of disbursements, staff allocation, support staff and the use of subcontractors are attached at Appendix C. Further guidance may be found in "Guide to Administrators' Fees". This is available from our office free of charge or may be downloaded from www.leonardcurtis.co.uk/resources/creditorsguides. In accordance with the approval given, £135,000 has been paid on account of these costs to date.
- 4.5 We provided in our report dated 11 February 2016, a Fees Estimate of £277,610 which we have exceeded. It is likely that the Joint Administrators' will seek an increase in the Fees Estimate which will have to be approved by the creditors referred to in paragraph 4.2 above. We have incurred additional costs above that included in the Fees Estimate, in dealing with creditors, landlords and realising assets. During the period of this report costs have been incurred in the following main areas of activity:

- **Statutory & Review**

Time has been incurred conducting case management and compliance reviews and preparing and submitting statutory returns including reports due under the Company Directors Disqualification Act 1986. By definition, this work is statutory in nature and provides no benefit to creditors.

- **Assets**

This includes time spent dealing with matters relating to the sale of the business and assets following appointment, agreeing contracts and finalising the sale. Time has also been spent dealing with creditors with ROT claims and corresponding with finance and hire purchase companies. In addition, time has been spent corresponding with Barclays and reconciling the balance at bank position following our appointment. Time has also been spent reconciling the rates refunds received. All of this work has added monetary value to the insolvent estate.

- **Liabilities**

We have spent time dealing with general creditor correspondence. This includes both written and telephone enquiries from creditors following submission of their claims. Time has also been spent liaising with employees, utility suppliers, councils and other interested parties in respect of the 233 stores. The majority of this work has been necessary in order for creditors to substantiate their claims which will enable the Joint Administrators to agree claims and to distribute funds in due course.

- **Landlords**

This includes significant time spent corresponding with the various landlords and managing agents of the 233 stores, including both written and telephone enquiries. In addition, time has been spent arranging access to closed stores and dealing with the return of keys to the 76 stores closed on appointment. Considerable time has also been spent processing and paying the rent demands received for the 158 stores which were granted a licence to occupy by Blue Inc. Additional time has been spent liaising with solicitors and agreeing lease assignments or surrenders.

This work was necessarily performed. Until all the leases have been dealt with the Joint Administrators will not be in a position to declare a dividend to unsecured creditors as the landlords will not be able to quantify their claims until their leases are surrendered or assigned.

More time has been spent dealing with landlords than was originally anticipated.

- **General Administration**

Time has been spent on general planning matters and setting up and maintaining the Administration records including filing. Time has also been spent dealing with customer queries and general correspondence including director correspondence.

- **Post Appointment Creditor Reporting**

This includes time spent in compiling reports to creditors and all the supporting documentation. Again, this is statutory in nature and provides no benefit to creditors.

- **Investigations**

We have spent time reviewing the questionnaire returned by the directors and conducting investigations into the Company's affairs and records to identify the possibility of further realisations, of which none were identified. This work was necessarily performed but has not added any monetary value to the insolvent estate.

- 4.6 The Joint Administrators have also received approval from those creditors mentioned in paragraph 4.2 above of the basis upon which we recharge internal disbursements that include an element of allocated costs or payments to outside parties in which we or our company have an interest. These are known as Category 2 costs and the basis of their recharge is also attached at Appendix C. Specific expenditure relating to the administration of a particular case is recoverable without approval and is referred to as "category 1 disbursement". Category 1 disbursements will generally comprise items such as identifiable telephone calls, postage, advertising, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and storage.

A. Levy & Son Limited – In Administration

- 4.7 In this case the following Category 2 costs have been incurred during the period of this report and, where shown, reimbursed to our company

Type	Incurred £	Paid £	Unpaid £
Internal photocopying @ 10p per copy	1,092 30	1,092 30	-
General stationery, postage, telephone etc @ £100 per 100 creditors/ members or part thereof	-	-	-
Room hire @£100 per meeting	-	-	-
Storage of office files (6 years) £88 75 per box	-	-	-
Business mileage @ 45p per mile	-	-	-
Other	-	-	-
Total	1,092 30	1,092 30	-

- 4.8 We have used the following professional advisors, including subcontractors

Name of Professional Advisor	Service Provided	Basis of Fees
Hilco Valuation Services	Valuation Services	Time Costs
Colliers International	Valuation Services	Fixed Fee
Squire Patton Boggs (UK) LLP	Legal Services	Time Costs
HBJ Gateley	Legal Services	Time Costs
Arthur Cox	Legal Services	Time Costs
CAPA	Rates Refunds	Percentage of Realisations
Goodman Nash	Rates Refunds	Percentage of Realisations
Kingford Partnership Limited	Rates Refunds	Percentage of Realisations
Insol Group Limited	ERA Services	Fixed Fee
Harris & Trotter LLP	Accountancy and Book-Keeping	Time Costs

5 PRE-ADMINISTRATION COSTS

The secured and preferential creditors also approved the following amounts in respect of pre-administration costs

Charged by	Services provided	Total approved £	Amount paid £	Amount unpaid £
Leonard Curtis	Meeting with Company and directors, assessing that Administration was the appropriate route, instructing agents and solicitors regarding the sale of the business. Assisting agents with the sale of the business, negotiating with interested parties and secured creditors	91,298 00	91,298 00	-
Hilco	Asset valuation and sale negotiation	32,192 60	32,192 60	-
Colliers International	Asset valuation	11,250 00	11,250 00	-
Squire Patton Boggs (UK) LLP	Preparation of sale contract and Administration appointment documents and legal advice generally	42,268 50	42,268 50	-

6 CREDITORS' RIGHTS

- 6.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Joint Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report
- 6.2 Within 14 days of receipt of the request, we must provide all of the information asked for, except so far as we consider 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) we are subject to an obligation of confidentiality in respect of the information

We must also give reasons for not providing all of the information

- 6.3 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to Court on the grounds that the basis fixed for the Joint Administrators' remuneration, the remuneration charged or the expenses incurred by the Joint Administrators as set out in this progress report are excessive

7 EXTENSION OF ADMINISTRATION

- 7.1 The appointment of the Joint Administrators ceases to have effect at the end of the period of one year beginning with the date on which it takes effect
- 7.2 However, it is possible to extend the period of the Joint Administrators' term of office for a specified period not exceeding twelve months. If this is deemed appropriate, the Joint Administrators may seek consent of the following to such an extension
- (a) each secured creditor of the Company and, if we think that a distribution may be made to preferential creditors,
 - (b) preferential creditors whose debts amount to more than 50% of the Company's preferential debts, disregarding debts of any creditor who does not respond to an invitation to give or withhold consent for such extension
- 7.3 In this case we have not yet sought an extension, however, it is likely that an extension will be sought in order to declare and pay a dividend to unsecured creditors

8 FURTHER ASSETS TO BE REALISED

The only potential asset remaining to be realised are rates refunds as referred to in paragraph 2.7.4 above

9 OTHER RELEVANT INFORMATION

- 9.1 The automatic deadline for the Administration to end is 18 January 2017
- 9.2 Based on current information, the only funds available for distribution to unsecured creditors will be by virtue of the prescribed part. As such, we propose to move the Company from Administration to Dissolution as soon as all outstanding matters in the Administration have been attended to.
- 9.3 Once the Company has been moved into Dissolution, the Administration and the appointment of the Joint Administrators will automatically cease.
- 9.4 In the unlikely event that funds do become available for distribution to unsecured creditors at the completion of the Administration other than by virtue of the prescribed part, the Company will be moved into Creditors' Voluntary Liquidation to enable them to be distributed. In accordance with the Proposals A D Cadwallader and I will become Joint Liquidators.

Creditors requiring further information should contact our office, in writing. Electronic communications should also contain a full postal address.

for and on behalf of
A LEVY & SON LIMITED



N A BENNETT
Joint Administrator

Licensed in the UK by the Insolvency Practitioners Association

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

APPENDIX A

Summary of Joint Administrators' Receipts and Payments
from 19 January 2016 to 18 July 2016

	Estimated Financial Position	Fixed	Floating	Rent Account	
	£	£	£	£	£
RECEIPTS					
Goodwill and Intellectual Property	200,000	200,000 00	-	-	200,000 00
Stock	800,000	-	800,000 00	-	800,000 00
Fixtures & Fittings	150,000	-	150,000 00	-	150,000 00
Motor Vehicles	50,000	-	50,000 00	-	50,000 00
Balance at Bank	1,993,623	-	2,189,983 99	-	2,189,983 99
Prepayments	Uncertain	-	260,035 79	-	260,035 79
	<u>3,193,623</u>	<u>200,000 00</u>	<u>3,450,019 78</u>	<u>-</u>	<u>3,650,019 78</u>
Sundry Receipts			43,904 00	-	43,904 00
Licence Fees		-	-	2,288,525 33	2,288,525 33
Deposit Interest Gross		4 36	1,279 75	30 64	1,314 75
VAT Output		-	18,184 46	18,709 60	36,894 06
		<u>200,004 36</u>	<u>3,513,387 99</u>	<u>2,307,265 57</u>	<u>6,020 657 92</u>
PAYMENTS					
Pre Administration Costs		38,876 52	138,132 58	-	177,009 10
Solicitors' Fees and Expenses		-	46,622 55	-	46,622 55
Agents' Fees and Expenses - Insol		-	31,915 00	-	31,915 00
Other Professional Fees		-	65,008 85	-	65,008 85
Accountants' Fees		-	7,750 00	-	7,750 00
Rent		-	-	2,253,324 10	2,253,324 10
Landlord's Distraint		-	987 27	-	987 27
HMRC Duty Deferment Bond		-	197,303 41	-	197,303 41
Bank Interest and Charges		-	46,562 16	-	46,562 16
Sundry Payments		-	600 42	-	600 42
Pension Scheme		-	6,988 08	-	6,988 08
Insurance		-	6,559 05	-	6,559 05
Statutory Advertising		-	78 75	-	78 75
Bordereau Fee		-	750 00	-	750 00
IT Licence Fee		-	87 00	-	87 00
Printing, Photocopying & Postage		-	3,518 04	-	3,518 04
Sundry Expenses/Disbursements		-	399 25	-	399 25
Joint Administrators' Remuneration		-	135,000 00	-	135,000 00
		<u>38,876 52</u>	<u>688,262 41</u>	<u>2,253,324 10</u>	<u>2,980,463 03</u>
DISTRIBUTIONS					
Blue Inc (UK) Limited - on account		150,000 00	1,500,457 62	-	1,650,457 62
		<u>11,127 84</u>	<u>1 324,667 96</u>	<u>53,941 47</u>	<u>1,389,737 27</u>

A Levy & Son Limited
(In Administration)

Summary of Joint Administrators' Time Costs from 19 January 2016 to 18 July 2016

	Director		Senior Manager		Manager 1		Manager 2		Administrator 1		Administrator 2		Administrator 3		Administrator 4		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Administrative & Review	25	1,125 00	67	2,747 00	24	876 00	74	2,368 00	19	494 00	-	-	-	-	20	300 00	229	7,910 00	345 41
Receipts & Payments	-	-	5	205 00	60	2,190 00	175	5,600 00	29	754 00	-	-	-	-	17	255 00	286	9,004 00	314 83
Insurance	-	-	-	-	31	1,131 50	64	2,048 00	-	-	-	-	-	-	13	195 00	108	3,374 50	312 45
Assets	299	13,455 00	65	2,665 00	325	11,862 50	413	13,216 00	93	2,418 00	1	23 00	-	-	191	2,865 00	1,387	46,504 50	335 29
Liabilities	127	5,715 00	16	656 00	206	7,519 00	311	9,952 00	125	3,250 00	67	1,541 00	20	420 00	2,499	37,485 00	3,371	66,538 00	197 38
Landlords	618	27,810 00	80	3,280 00	335	12,227 50	1,946	62,272 00	755	19,630 00	800	18,400 00	-	-	1,691	25,365 00	6,225	168,984 50	271 46
Debt Holder	78	3,510 00	-	-	82	2,993 00	31	992 00	2	52 00	-	-	-	-	15	225 00	208	7,772 00	373 65
General Administration	63	2,835 00	13	533 00	59	2,153 50	103	3,296 00	52	1,352 00	42	966 00	30	630 00	373	5,595 00	735	17,360 50	236 20
Appointment	12	540 00	10	410 00	-	-	15	480 00	10	260 00	-	-	-	-	40	600 00	87	2,290 00	263 22
Cost Appointment Creditor Reporting	48	2,160 00	43	1,763 00	-	-	35	1,120 00	206	5,356 00	20	460 00	15	315 00	7	105 00	374	11,279 00	301 58
Investigations	12	540 00	-	-	-	-	-	-	-	-	-	-	-	-	3	45 00	15	585 00	390 00
Legal Assistance	-	-	60	2,460 00	-	-	-	-	-	-	-	-	-	-	-	-	60	2,460 00	410 00

Total 1 282 57 690 00 359 14 719 00 1,122 40 953 00 3,167 101,344 00 1,291 33,566 00 930 21,390 00 65 1,365 00 4,869 73,035 00 13,085 344,062 00

Average Hourly Rate (£)

450 00 410 00 365 00 320 00 260 00 230 00 210 00 150 00 262 94

11 Units are 6 minutes

ADDITIONAL INFORMATION IN RELATION TO THE POLICY OF LEONARD CURTIS REGARDING FEES AND DISBURSEMENTS

The following information relating to the policy of Leonard Curtis is considered to be relevant to creditors

Staff Allocation and Support Staff

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case.

Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution of the secured and/or preferential creditors, a creditors' committee or creditors generally, that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters arising in the appointment, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the office holders reserve the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below.

The following hourly charge out rates apply to all assignments undertaken by Leonard Curtis.

	Standard £	Complex £
Director	450	562
Senior Manager	410	512
Manager 1	365	456
Manager 2	320	400
Administrator 1	260	325
Administrator 2	230	287
Administrator 3	210	262
Administrator 4	150	187

Subcontractors

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

Professional Advisors

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

Disbursements

- a) 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 office holder or his or her staff.
- b) 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. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision.

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£88.75 per box
Room hire	£100
Business mileage	45p per mile