

The Insolvency Act 1986

**Administrator's progress report**

Name of Company

THE RYES SCHOOL LIMITED

Company number

02107585

In the ROYAL COURTS OF JUSTICE,  
CHANCERY DIVISION  
COMPANIES COURT

[full name of court]

Court case number

30861 of  
2011(a) Insert full name(s) and  
address(es) of  
administrator(s)I / We (a) DAVID DUNCLEY AND JAMES STEWART - KOSTER  
GRANT THORNTON UK LLP,  
30 FINSBURY SQUARE, LONDON  
EC2P 2YU

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

(b) Insert dates

from

(b) 28 APRIL 2011

to

(b) 27 OCTOBER 2011

Signed

Joint / Administrator(s)

Dated

25/11/11

**Contact Details:**

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

	Tel
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



AIQ

\*ASBSPZNG\*  
29/11/2011  
COMPANIES HOUSE

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TUESDAY

Our Ref TWW/ DZW/RES/DJD/JSK/R91162/7

## **TO THE CREDITORS**

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25 November 2011

Dear Sirs

**The Ryes School Limited (TRSL), RSO Limited (RSO), Pump Farm Limited (PFL) – All in Administration (the Companies)**  
**In the High Court of Justice, Chancery Division, Case numbers: 3085, 3086 & 3094 of 2011**

### **1 INTRODUCTION**

1.1 Following the appointment of David John Dunckley and I as Joint Administrators of the Companies on 28 April 2011, I now report on the progress of the Administration to date and attach

- Appendix 1, the statutory details of the Companies
- Appendix 2, an account of the receipts and payments for the period ended 27 October 2011 in accordance with Rule 2.47 of the Insolvency Act 1986
- Appendix 3, a statement of the remuneration charged by the Joint Administrators in the period from 28 April 2011 to 27 October 2011 and a statement of expenses incurred in the same period,
- Appendix 4, an analysis of the Joint Administrators' time costs as required by Statement of Insolvency Practice 9 (SIP9), Joint Administrators' disbursements incurred in the period & Grant Thornton UK LLP charge out rates,
- Appendix 5, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the Joint Administrators (Rule 2.48A),
- Appendix 6, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the Joint Administrators' fees if deemed excessive (Rule 2.109)

In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 the functions of the Joint Administrators are to be exercised by any or all of them

Creditors should read this report in conjunction with our report of 10 May 2011, particularly as regards to background information. A copy of our 10 May 2011 report is available on request

## **2 STATUTORY INFORMATION**

- 2 1 The Companies statutory details are provided at Appendix 1
- 2 2 The administrations constitute "main proceedings" under the EC Regulation on Insolvency Proceedings

## **3 SUMMARY OF ADMINISTRATORS' PROPOSALS**

- 3 1 The proposals for the Companies were distributed to the creditors on 20 June 2011 and were deemed approved on 30 June 2011. A summary of these proposals is below
  - 3 1 1 The Joint Administrators would pursue the objective of achieving a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up and/or in order to make a distribution to the Companies' first ranking secured creditor, RBS
  - 3 1 2 In that regard, a sale of the Companies' business and certain assets completed immediately following our appointment on the 28 April 2011. Five of the six freehold properties were sold to The Ryes College Limited ("RCL") for a total consideration of £1.6 million. The freehold property known as Little Henny did not form part of the sale to RCL, and this property would be separately marketed for sale
  - 3 1 3 As no monies are expected to be available for unsecured creditors, it is proposed that the administrations will end by the Joint Administrator's filing a notice to dissolve the Companies once all assets are realised and distributed to entitled creditors
  - 3 1 4 In the unlikely event a return to unsecured creditors can be achieved, it is proposed that the relevant Administrations will end by the Companies going into Creditors Voluntary Liquidation. If any of the Companies are placed into Creditors Voluntary Liquidation, it is proposed that David Dunckley and I be appointed Liquidators. However, creditors may nominate a different Liquidator if nomination to that effect is received before the approval of these proposals
  - 3 1 5 The Joint Administrators will continue the Companies defence to proceedings brought against the Companies (if any) so far as they believe it appropriate (bearing in mind the need to balance the costs of continuing the defence as against the potential detriment to the creditors of abandoning the defence)
  - 3 1 6 It is proposed that the Joint Administrators shall be discharged from liability in respect of any action of theirs as Joint Administrators when they cease to be Joint Administrators of the Companies, pursuant to paragraph 98(1) of Schedule B1 of the Insolvency Act 1986

## **4 ASSETS AND LIABILITIES**

### **Assets**

- 4.1 As detailed in our letter which was sent to creditors on 10 May 2011, immediately following our appointment on 28 April 2011 the Joint Administrators entered into a contract to sell the business and certain assets of the Companies to The Ryes College Limited ("RCL") Consideration for this sale totalled £1.6 million
- 4.2 On appointment proceeds totalling £113,710 were received. Of this, £80,000 was received as a non-refundable deposit in respect of the sale of five freehold properties owned by the Companies. The remaining £33,710 was received in respect of the sale of the business and chattel assets. No further realisations are expected in relation to the business and chattel assets.
- 4.3 The remaining £1.48 million was received on 9 June 2011 when the 28 April 2011 transaction completed.
- 4.4 The allocation of the consideration between the Companies (prior to any transaction costs) was as follows:

RSO Limited	£255,320
The Ryes School Limited	£755,479
Pump Farm Limited	£589,199
<b>Total</b>	<b>£1,599,998</b>

- 4.5 The freehold property known as Little Henny did not form part of the sale to RCL. However, this property was leased to RCL for a period of five months at a monthly rent of £5,000. RCL were liable for all of the running and property holding costs throughout the period of occupation (e.g. insurance, rates, repairs and maintenance).
- 4.6 The rent for the five month period totalled £25,000. On termination of this five month period, on 27 September 2011, Little Henny was vacated by RCL.
- 4.7 On 3 October 2011 we exchanged contracts with a residential purchaser for The Ryes School Limited's freehold interest in Little Henny.
- 4.8 This sale is expected to complete by 31 January 2011. If it does not complete by then, the contract may be terminated (in which case the property will be re-marketed for sale). We will disclose further details of the transaction following completion.

### **Book Debts**

- 4.9 The statement of affairs for TRSL disclosed book debts of £72,356. To date we have recovered £35,000 in settlement of debt to the value of £39,126.61.

- 4 10 We continue to chase the remaining book debts, although future recoveries are uncertain

### **Petty Cash**

- 4 11 Petty cash, totalling £994 00 has been realised from TRSL. No further realisations are expected

### **Liabilities**

#### **Secured Creditors**

- 4 12 As at the date of my appointment as administrator, the Royal Bank of Scotland Plc (the Bank) was owed a total of c£5 million in respect of term loans, interest rate swap costs and working capital facilities. This debt is secured by way of fixed and floating charges granted by each of the Companies to the Bank, along with fixed charges granted in respect of the Companies' freehold properties. These charges are supported by inter-company guarantees granted by each of the Companies to the Bank in respect of each other entity's debt.
- 4 13 Due to the fact that realisations are principally arising from the sale of freehold property, which is subject to the Bank's fixed charge security (with realisations from assets subject to floating charge security being relatively modest – in the order of £34,000), the Bank will be entitled to the majority of funds that are recovered in the Administrations.
- 4 14 On 3 August 2011 we made an initial distribution of fixed charge realisations to the Bank. The distribution was as follows:

RSO Limited	£222,500
The Ryes School Limited	£375,000
Pump Farm Limited	£527,500
<b>Total</b>	<b>£1,125,000</b>

- 4 15 In addition to the distributions set out above, the Bank has received a further £240,446 70 in respect of prepayments on contracts that were novated to RCL post administration. The distribution is the equivalent of any prepaid cash held by the Bank pre administration, which was transferred to RCL post administration. All of the contracts were held in TRSL and therefore the distribution has been treated as being in respect of that company.

#### **Preferential Creditors**

- 4 16 There are no preferential creditors as all employees transferred to RCL on 28 April 2011, pursuant to the Transfer of Undertakings (Protection of Employment) Regulations ("TUPE").
- 4 17 RCL became responsible for all employee claims with effect from that date.

### Unsecured Creditors

- 4 18 TRSL's unsecured creditors are estimated to total £1,006,797, as listed in the statement of affairs submitted by its directors. This excludes the estimated shortfall to the floating chargeholder of £535,882
- 4 19 RSO's unsecured creditors are estimated to total £180,000, as listed in the statement of affairs submitted by its directors. This excludes the estimated shortfall to the floating chargeholder of £764,326
- 4 20 PFL's statement of affairs did not disclose any known unsecured creditors
- 4 21 The costs of the administration are likely to exceed the prescribed part in this scenario, and therefore we do not currently expect there to be a dividend for the unsecured creditors. Further explanation as regards to the prescribed part can be found below
- 4 22 Had the pre-pack sale of the business and certain assets to RCL not completed, it is believed that unsecured claims would have been significantly higher, notably resulting from claims from local authorities and employees claims had they not transferred under TUPE

### Section 176A of the Insolvency Act 1986 - Prescribed Part

- 4 23 In accordance with S176A of the Insolvency Act 1986 a proportion of net (after costs) funds, if any, realised from the sale or other disposal of assets subject to floating charge security (in the Companies' cases, effectively this means the business, chattel assets and petty cash), which would otherwise be payable to the floating chargeholder, are to be made available instead to a Company's unsecured creditors
- 4 24 The sum of money in question, known as the "Prescribed Part", is calculated by applying certain percentages to the Company's "Net Property", which is calculated in accordance with the formula below

$$\text{Net Property} = \left[ \begin{array}{l} \text{Net proceeds from the} \\ \text{realisation of assets} \\ \text{subject to floating} \\ \text{charges (i.e. proceeds} \\ \text{after realisation costs} \\ \text{and costs and expenses} \\ \text{of the Administration)} \end{array} \right] \text{ minus } \left[ \begin{array}{l} \text{Debts due to} \\ \text{preferential} \\ \text{creditors} \end{array} \right]$$

- 4 25 The percentages applied to the Company's Net Property in order to calculate the Prescribed Part are
- 50% of the first £10,000 of Net Property, plus
  - 20% of any further Net Property up to a maximum of £2,975,000

- 4 26 For TRSL, it is presently anticipated that the costs of the Administration will exceed the floating charge realisations of £34,704 and as such we do not anticipate any prescribed part arising for the benefit TRSL's unsecured creditors
- 4 27 We do not anticipate any floating charge realisations in RSO or PFL given the nature of the assets that were held in those companies
- 4 28 We therefore recommend that unsecured creditors of the Companies should, therefore, treat the debts they are owed by any or all of the Companies as irrecoverable

## **5 CONDUCT OF THE ADMINISTRATION**

- 5 1 Immediately following our appointment, we entered into a contract for the sale of the business and certain assets of the Companies (as advised above)
- 5 2 In completing the sale to the purchaser we engaged Addleshaw Goddard LLP as our solicitors. In accordance with rule 2.33(2)(a) and 2.33 (2B) of Insolvency Act 1986, the secured charge holder has authorised that the time costs incurred pre appointment totalling £70,000 plus VAT and disbursements can be met from Administration funds on a pro-rata basis
- 5 3 Since the date of the administration we have incurred costs in addition to our own in relation to agents fees, security, insurance, debt recovery and advertising
- 5 4 Our receipts and payments account covering the period from 28 April 2011 to 27 October 2011 is attached (Appendix 2)

## **6 ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS**

- 6 1 As I have made a declaration under paragraph 52(1)(b) of Schedule B1 of the Insolvency Act 1986, the Joint Administrators remuneration may be fixed by the approval of
- Each secured creditor of the Companies, and
  - In so far as any exist, the preferential creditors whose debts amount to more than 50% of the preferential debts of the Companies, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval
- 6 2 As there are no preferential creditors of the Companies, it was only necessary to seek approval for our remuneration from the secured creditor of the Companies
- 6 3 The Joint Administrators will request from the secured creditor that their remuneration be calculated on a time cost basis, for attending to matters in relation to the Administrations and completing the sale of the Companies' assets, according to the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administrations

- 6 4 Background information regarding the fees of Joint Administrators can be found at <http://www.insolvency-practitioners.org.uk> (navigate via 'Regulation and Guidance' to 'Creditors Guides to Fees') Alternatively I will supply this information by post on request
- 6 5 The Joint Administrators will charge out of pocket expenses at cost Mileage is charged at standard rates which comply with HM Revenue and Customs limits or AA recommended rates VAT is added to disbursement charges as necessary Disbursements to 27 October 2011 are detailed in Appendix 3
- 6 6 Payments of the Joint Administrators' remuneration and disbursements are to be met from funds held in the Administration in priority to the claims of creditors, and, after approval of the basis, the Joint Administrators may draw sums on account
- 6 7 Time costs to date amount to £105,854.40 (The Ryes School Limited), £13,247.95 (RSO Limited) and £13,914.35 (Pump Farm Limited) as detailed in Appendix 4 A breakdown by category of staff and work done is also provided in Appendix 4
- 6 8 The Joint Administrators of the Companies have drawn fees of £35,600 plus VAT and disbursements in respect of work completed since 28 April 2011 This fee was drawn following the approval of the secured creditor.
- 6 9 For time incurred in attending to pre-appointment matters pursuant to our letter of engagement with the Companies dated 24 March 2011, Grant Thornton UK LLP have been paid £50,400 plus VAT and disbursements, following approval by the secured creditor
- 6 10 We have also included a note in Appendix 3 which sets out the costs incurred by our legal advisors, valuers, security agents and any other expenses incurred in the period of the administration from the 28 April 2011 to 27 October 2011 which have not yet been paid
- 6 11 Should you have any queries, please do not hesitate to contact my colleague Tom Walls on 020 7865 2811

Yours faithfully  
for and on behalf of the Companies



James Stewart-Koster  
Joint Administrator

*The affairs, business and property of the Companies are being managed by James Henry Stewart-Koster and David John Dunckley, appointed as Joint Administrators on 28 April 2011*



## **Appendix 1 – Statutory details of the Companies**

### **RSO Limited – In administration**

Registered number	04516845
Date of incorporation	22/08/2002
Registered office	30 Finsbury Square
No of shares	250,000 Ordinary (£1 shares) 125,000 B Ordinary (£1 shares)
Shareholders	John Giles Carol Triggs James Pester Janet Clarke Linda Hunt Patti Stewart Miles Carter Christopher Tanner Lorraine Giles TCV Limited Kate Yarbo

### **The Ryess School Limited – In administration**

Registered number	02107585
Date of incorporation	09/03/1987
Registered office	30 Finsbury Square London EC2P 2YU
No of shares	50,000 (£1 shares)
Shareholder	RSO Limited

### **Pump Farm Limited – In administration**

Registered number	04641707
Date of incorporation	20/01/2003
Registered office	30 Finsbury Square London EC2P 2YU
No of shares	1 (£1 share)
Shareholder	RSO Limited

## RSO LIMITED - IN ADMINISTRATION

## JOINT ADMINISTRATORS' ABSTRACT OF RECEIPTS AND PAYMENTS

FOR THE PERIOD FROM 28 APRIL 2011 TO 27 OCTOBER 2011

	Estimated to Realise	Realised to 27 October 2011 £
<b>RECEIPTS</b>		
Freehold Land and Property	255,320 00	255,320 00
Bank interest		79 44
<b>TOTAL RECEIPTS</b>	<u>255,320 00</u>	<u>255,399 44</u>
<b>PAYMENTS</b>		
Agents/Valuers fees		1,999 20
Chargeholder		222,500 00
Insurance		380 13
Administrators fees		2,400 00
Administrators Expenses		24 00
Legal fees		13,523 36
<b>TOTAL PAYMENTS</b>		<u>240,826 69</u>
<b>Balance held as at 27 October 2011</b>		<u><u>14,572 75</u></u>

## THE RYES SCHOOL LIMITED - IN ADMINISTRATION

## JOINT ADMINISTRATORS' ABSTRACT OF RECEIPTS AND PAYMENTS

FOR THE PERIOD FROM 28 APRIL 2011 TO 27 OCTOBER 2011

	Estimated to Realise	Realised to 27 October 2011
		£
RECEIPTS		
Freehold Land and Property	2,721,770 00	721,769 00
Book Debts	72,357 00	35,000 00
Furniture & Equipment	33,710 00	33,710 00
Petty Cash	1,000 00	994 00
Miscellaneous Income		2,771 64
Legal costs recovered (book debts)		9,000 00
Little Henny rent		25,000 00
Bank interest		251 16
Insurance refund		1,756 58
<b>TOTAL RECEIPTS</b>	<b>2,828,837 00</b>	<b>830,252 38</b>
PAYMENTS		
Advertising		177 16
Agents/Valuers fees		8,497 80
Bank charges		120 00
Chargeholder		615,446 70
Legal fees		49,491 77
Administrators fees		34,320 00
Administrators Expenses		158 52
<b>TOTAL PAYMENTS</b>		<b>708,211 95</b>
<b>Balance held as at 27 October 2011</b>		<b>122,040 43</b>

## PUMP FARM LIMITED - IN ADMINISTRATION

## JOINT ADMINISTRATORS' ABSTRACT OF RECEIPTS AND PAYMENTS

FOR THE PERIOD FROM 28 APRIL 2011 TO 27 OCTOBER 2011

	Estimated to Realise	Realised to 27 October 2011 £
<b>RECEIPTS</b>		
Freehold Land and Property	589,200 00	589,199 00
Bank interest		181 06
<b>TOTAL RECEIPTS</b>	<u>589,200 00</u>	<u>589,380 06</u>
<b>PAYMENTS</b>		
Agents/Valuers fees		1,999 20
Chargeholder		527,500 00
Insurance		691 96
Advertising		88 58
Administrators Fees		6,000 00
Administrators Expenses		24 00
Legal fees		31,207 70
<b>TOTAL PAYMENTS</b>		<u>567,511 44</u>
Balance held as at 27 October 2011		<u><u>21,868 62</u></u>

**Appendix 3 - Remuneration charged and expenses incurred by the Joint Administrators in the period from 28 April 2011 to 27 October 2011**

	The Ryes School Limited	RSO Limited	Pump Farm Limited
	28 April 2011 to 27 October 2011	28 April 2011 to 27 October 2011	28 April 2011 to 27 October 2011
	Total £	Total £	Total £
Joint administrators fees			
Time costs	34,320	2,400	6,000
Expenses	159	24	24
Professional fees			
Savills	8,218	1,999	1,999
GMS	280	-	-
Legal fees			
Addleshaw Goodard	40,237	13,523	31,208
Thompson Smith & Puxton	9,254	-	-
Payments to Chargeholder			
Royal Bank of Scotland	375,000	222,500	527,500
Royal Bank of Scotland	240,447	-	-
Other administration expenses	297	380	781
Total	<u>708,211</u>	<u>240,827</u>	<u>567,511</u>

**Additional costs accrued from 28 April 2011 to 27 October 2011**

Joint administrators fees			
Time costs	71,534	10,848	7,914
Expenses	95	-	-
Legal fees			
Addleshaw Goodard	15,480	-	-
Professional fees			
Savills	1,200	-	-
Insurance	8,000	-	-
GMS	13,360	-	-
Utilities	2,000	-	-
Total	<u>111,669</u>	<u>10,848</u>	<u>7,914</u>

\* The accrued costs set out above are in addition to the payments in the top half of the table. The Joint Administrators unbilled time costs are set out in the table above, the extent to which these costs are recoverable is to be confirmed.

## **Introduction**

The following information is provided in connection with the Joint Administrators' remuneration and disbursements in accordance with SIP 9

## **An Overview of the Case**

Please refer to the main body of the report and the background as outlined in our 10 May 2011 report (available on request)

## **Explanation of Grant Thornton UK LLP Charging and Disbursement Recovery Policies**

### **Time costs**

All partners and staff are charged out at hourly rates appropriate to their grade, as also shown at Appendix 4 Support staff (ie secretaries, cashiers and filing clerks) are charged to the case for the time they work on it

### **Category 1 Disbursements**

Out of pocket expenses are charged at cost Mileage is charged at standard rates which comply with HM Revenue and Customs limits or AA recommended rates

### **Narrative Description of Work Carried Out**

Please refer to the main body of the report

### **Category 1 Disbursements**

<b>Category 1 Disbursements for the period from 28 April 2011 to 27 October 2011</b>	<b>£</b>
Travel (The Ryes School Limited)	44 60
Courier (The Ryes School Limited)	74 95
Land registry (The Ryes School Limited)	13 00
Bordereau (The Ryes School Limited)	80 00
Bordereau (Pump Farm Limited)	20 00
Bordereau (Pump Farm Limited)	20 00
<b>Total</b>	<b>252.55</b>
<b>Plus VAT of 20%</b>	<b>303.06</b>

To date £208 (including VAT) has been drawn from the administration, which leaves outstanding expenses of £95

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**Appendix 4 – SIP 9 for the period from 28 April 2011 to 27 October 2011.  
Joint Administrators Disbursements incurred in the period & Grant Thornton  
UK LLP Charge Out Rates.**

## RSO Limited - In Administration

SIP 9 WIP ANALYSIS FOR THE PERIOD FROM 28 APRIL 2011 TO 27 OCTOBER 2011		Partner		Manager		Senior		Admin/Support		Total		Average	
		Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hourly Rate	£
Administration and Planning		0 00	0 00	0 50	225 00	23 53	6,439 05	29 52	3,991 15	53 55	10,655 20	198 98	
Investigations		0 00	0 00	0 00	0 00	2 00	600 00	6 20	930 00	8 20	1,530 00	186 59	
Realisation of Assets		0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	
Creditors		0 00	0 00	1 85	723 75	0 20	60 00	1 80	279 00	3 85	1,062 75	276 04	
<b>Grand Total</b>		<b>0 00</b>	<b>0 00</b>	<b>2 35</b>	<b>948.75</b>	<b>25.73</b>	<b>7,099.05</b>	<b>37 52</b>	<b>5,200 15</b>	<b>65 60</b>	<b>13,247 95</b>	<b>201 95</b>	

**Administration & Planning**

Includes, case planning, statutory returns, maintenance of bank accounts and estate records, matters relating to tax, general correspondence, legal advice, meetings, employee matters

**Investigations**

Includes, Statutory duty of investigation into company's affairs under Statement of Insolvency Practice (SIP2)

**Realisation of Assets**

Includes, dealing with the sale of the business and the assets of the Company, dealing with Solicitors, collecting book debts

**Creditors**

Includes, correspondence with preferential and unsecured creditors, pensions and employees

**Trading**

Includes, time on site



## The Ryes School Limited - In Administration

SIP 9 WIP ANALYSIS FOR THE PERIOD FROM 28 APRIL 2011 TO 27 OCTOBER 2011		Partner		Manager		Senior		Admin/Support		Total		Average	
		Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hourly Rate	£ Hourly Rate
Administration and Planning		21 35	9,817.75	9 70	4,292.50	87 52	24,166.10	49 77	6,858.40	168 34	45,134.75	268 12	
Investigations		0 00	0 00	0 00	0 00	4 50	1,350.00	10 20	1,530.00	14 70	2,880.00	195 92	
Realisation of Assets		0 00	0 00	0 00	0 00	82 20	24,244.50	18 50	2,379.00	100 70	26,623.50	264 38	
Creditors		0 00	0 00	46 96	17,890.15	41 40	12,165.00	7 75	1,161.00	96 11	31,216.15	324 80	
Grand Total		21 35	9,817.75	56 66	22,182.65	215 62	61,925.60	86 22	11,928.40	379 85	105,854.40	278 67	

## Administration &amp; Planning

Includes, case planning, statutory returns, maintenance of bank accounts and estate records, matters relating to tax, general correspondence, legal advice, meetings, employee matters

## Investigations

Includes, Statutory duty of investigation into company's affairs under Statement of Insolvency Practice (SIP2)

## Realisation of Assets

Includes, dealing with the sale of the business and the assets of the Company, dealing with Solicitors, collecting book debts

## Creditors

Includes, correspondence with preferential and unsecured creditors, pensions and employees

## Trading

Includes, time on site

## Pump Farm Limited - In Administration

SIP 9 WIP ANALYSIS FOR THE PERIOD FROM 28 APRIL 2011 TO 27 OCTOBER 2011		Partner		Manager		Senior		Admin/Support		Total		Average	
		Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hourly Rate	£
Administration and Planning		0 25	133 75	0 50	225 00	28 72	7,937 95	28 57	3,870 15	58 04	12,166 85	209 63	
Investigations		0 00	0 00	0 00	0 00	0 00	0 00	6 70	1,005 00	6 70	1,005 00	150 00	
Realisation of Assets		0 00	0 00	0 00	0 00	0 00	0 00	0 35	52 50	0 35	52 50	150 00	
Creditors		0 00	0 00	1 60	630 00	0 20	60 00	0 00	0 00	1 80	690 00	383 33	
Grand Total		0 25	133 75	2 10	855 00	28 92	7,997 95	35 62	4,927 65	66 89	13,914 35	208 02	

## Administration &amp; Planning

Includes, case planning, statutory returns, maintenance of bank accounts and estate records, matters relating to tax, general correspondence, legal advice, meetings, employee matters

## Investigations

Includes, Statutory duty of investigation into company's affairs under Statement of Insolvency Practice (SIP2)

## Realisation of Assets

Includes, dealing with the sale of the business and the assets of the Company, dealing with Solicitors, collecting book debts

## Creditors

Includes, correspondence with preferential and unsecured creditors, pensions and employees

## Trading

Includes, time on site

**Appendix 5 - An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the Administrators**

Rule 2 48A

If (a) within 21 days of receipt of a progress report under Rule 2 47—

- (i) a secured creditor, or
- (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
- (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor,

makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2 47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)

- (2) The administrator complies with this paragraph by either (a) providing all of the information asked for, or (b) so far as the administrator considers that (i) the time or cost of preparation of the information would be excessive, or

- (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
- (iii) the administrator is subject to an obligation of confidentiality in respect of the information,

giving reasons for not providing all of the information

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

- (a) the giving by the administrator of reasons for not providing all of the information asked for, or
- (b) the expiry of the 14 days provided for in paragraph (1),

And the court may make such order as it thinks just

- (4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2 109(1B) by such further period as the court thinks just "

**Appendix 6 - An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the Joint Administrators' fees if excessive**

Rule 2 109

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
  - (1A) Application may be made on the grounds that—
    - (a) the remuneration charged by the administrator,
    - (b) the basis fixed for the administrator's remuneration under Rule 2 106, or
    - (c) expenses incurred by the administrator,is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
  - (1B) The application must, subject to any order of the court under Rule 2 48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
  - (a) an order reducing the amount of remuneration which the administrator was entitled to charge,
  - (b) an order fixing the basis of remuneration at a reduced rate or amount,
  - (c) an order changing the basis of remuneration;
  - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration,
  - (e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration