

The Insolvency Act 1986

Notice of move from administration to dissolution**2.35B**

Name of Company
Sensible Transport Limited

Company number
02716713

In the
Bristol District Registry
(full name of court)

Court case number
105 of 2012

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

~~I/We~~ (a) Simon Franklin Plant
S F P
9 Ensign House
Admirals Way
Marsh Wall
London
E14 9XQ

Daniel Plant
S F P
9 Ensign House
Admirals Way
Marsh Wall
London
E14 9XQ

(b) Insert name and address of registered office of company

having been appointed administrator(s) of (b) Sensible Transport Limited SFP 9 Ensign House, Admiral's Way Marsh Wall London E14 9XQ

(c) Insert date of appointment
(d) Insert name of applicant/appointor

on (c) 26 January, 2012 by (d) Leumi ABL Limited

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

We attach a copy of the final progress report

Signed

Joint Administrator(s)

Dated

11/01/13

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

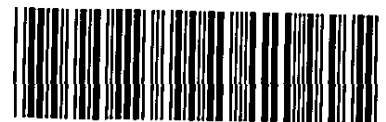
Simon Franklin Plant
S F P
9 Ensign House
Admirals Way
Marsh Wall
London
E14 9XQ

DX Number

020 7538 2222
DX Exchange

Companies House receipt date barcode

When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff



Strictly Private and Confidential

Sensible Transport Limited (In Administration)

Final Progress Report to Creditors

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MIPA FABRP**

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This report has been written and presented for the sole purpose of complying with the relevant provisions of the Insolvency Act 1986 and the Enterprise Act 2002. It may not be disclosed, disseminated or copied without our prior written permission, other than to those entitled under statute or otherwise as ordered by the Court, and no liability will be accepted to any other person or party who acts or refrains from acting on its contents.

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1 Introduction

- 1.1 This Report is prepared pursuant to Paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 ("the Act") and Rule 2.118 of the Insolvency Rules 1986 ("the Rules") in relation to Sensible Transport Limited (in Administration) (Co Number 02716713) ("the Company"). The Act and the Rules provide that if the Joint Administrators find that a company has no property which might permit a distribution to its creditors, they shall send Notice of moving from Administration to Dissolution to the Registrar of Companies, together with a final progress Report. Further, that the appointed Joint Administrators should send a copy of the Notice and the Report to, inter alia all creditors.
- 1.2 To date, creditors have received the Joint Administrators' Report and Proposals circulated to creditors on 14 February 2012 ("the First Report"), a six monthly update on 23 August 2012 ("the Second Report"), a report accompanying the Joint Administrators' request to extend the period of the Administration by consent of creditors on 11 January 2013 ("the Third Report") and a further progress report provided alongside this final report ("the Fourth Report"). In the light of the information contained in these previous reports, this Report simply provides an additional update.
- 1.3 Following the First Report, the Joint Administrators' proposals were approved. The Joint Administrators are moving the Company from Administration to Dissolution as they are now of the view that there are no further outstanding issues in relation to this matter and do not anticipate any further recoveries.

2. Asset Realisations / Miscellaneous

Trading

- 2.1 As detailed in the First Report, the Joint Administrators continued trading the business for a small period during the Administration to 1 February 2012. Details of the invoicing raised and costs incurred during this period can be found at **Appendix I**.
- 2.2 In addition to these costs, a third party, Autologic UK Limited ("Autologic"), which had previously expressed an interest in the Company's business and assets, paid the fuel costs incurred during the trading period.
- 2.3 It was anticipated that the continued trading of the business would provide valuation agent, Winterhill Asset Limited ("Winterhill") with sufficient time to market the business and assets in order to elicit any offer.

The Sale of the Business and Assets

- 2.4 As previously detailed, following the Joint Administrators' appointment, the Company's directors provided Winterhill with details of various parties potentially interested in making an offer for the Company's business and assets.
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- 2.5 Winterhill sent various non-disclosure agreements ("NDA") to interested parties and subsequently provided sensitive information to the two parties which signed and returned NDA's. Given the time restraints involved, a deadline of midday on Monday, 30 January 2012 was set for best and final offers.
- 2.6 Following the passing of the deadline, one offer was received from Autologic of £125,000. Negotiations were subsequently entered into with Autologic and a final offer of £185,000 was elicited. As part of the offer, it was arranged that Autologic would assist with collection of the Company's sales ledger. Further, that it would not seek any recompense of its fuel related expenses and would provide the Joint Administrators with a contribution of £2,500 towards trading costs.
- 2.7 The offer was discussed with Winterhill who advised that it represented an excellent realisation in the circumstances and should be accepted. Accordingly, the offer was accepted and solicitors, Francis Wilks and Jones ("FWJ") were instructed to draft a sale and purchase agreement. This subsequently completed on 1 February 2012 with the sale consideration being paid in full.
- 2.8 Following advice from Winterhill, an apportionment of £50,000 was agreed to be deemed a fixed charge recovery for the benefit of BOS. Accordingly, the Joint Administrators subsequently forwarded £50,000 to BOS on 3 February 2012.

Debtors

- 2.9 As previously stated, as at the date of the placing of the Company into Administration, its sales ledger was £724,686, with Leumi having an outstanding commitment of £516,378.
- 2.10 An entity associated with the Joint Administrators' firm, SFP Recoveries Limited ("SFP Recoveries") identified a significant amount of work which had been carried out but not invoiced. Accordingly, it raised additional invoicing of £192,576. Further, it identified non-factored invoicing of £77,465.
- 2.11 During the Administration trading period, SFP Recoveries worked with the Company's accounts staff in order to raise invoicing and ensure that supporting documentation was collected to verify the debt.
- 2.12 Following completion of the sale of the business and assets to Autologic, SFP Recoveries held weekly meetings with it to discuss debtor collections and address and queries and disputes raised by customers. Following these meetings, SFP Recoveries would provide Leumi with an update, discuss ongoing collections strategy and any disputes raised by customers.
- 2.13 SFP Recoveries has advised that Leumi has collected its liability in full and re-assigned the remaining ledger to the Company for the benefit of the estate. Since re-assignment, SFP Recoveries has reviewed the ledger and due to a high level of disputes and contra claims, will not be pursuing the ledger any further. Accordingly, it has closed its file in this matter.

Contribution Towards Costs

- 2.14 As detailed in the Second Report, given the amount of work involved, the costs relating to the Administration have been significant. It was clear from the outset that there would be insufficient
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funds available to settle these and discussions were therefore entered into with Leumi to see if it would be prepared to make a contribution to these

- 2.15 Leumi subsequently agreed to pay a proportion of the Administration liabilities to settle certain of the Administration and associated entities costs, together with those of the agents that were utilised in the matter. In doing so, Leumi paid a percentage of the funds that it had been entitled to claim as its charges, pursuant to its facility agreement and security with the Company. To date, Leumi has made a contribution of £245,485, although a proportion of these monies relate to surplus sales ledger proceeds

The Company's Trading Premises

- 2.16 As previously detailed, the Company traded from premises at Henstridge Airfield, Henstridge, Somerset, BA8 0TN ("the Trading Premises") and Plots 1-3, Henstridge Airfield, Henstridge, Templecombe, Somerset, BA8 0TN ("the Secondary Premises")
- 2.17 The landlord of the Trading Premises, Fleet Warehouse Limited ("the Landlord") had forfeited the lease prior to the Administration due to non-payment of rent. Accordingly, the Joint Administrators' property division, SFP Property Limited ("SFP Property") was instructed to review the forfeiture in order to determine whether or not it was valid
- 2.18 SFP Property was unable to obtain a copy of the documents purporting to affect the forfeiture. Notwithstanding this, the Joint Administrators were able to negotiate with the landlord to accept forfeiture on the date of completion of the sale to Autologic. This was on the basis that the Landlord confirmed that it had no claim against the Joint Administrators personally and that any amounts owed to them in relation to rent would rank as an unsecured claim in the Administration
- 2.19 Accordingly, the Joint Administrators instructed FWJ to draft a letter confirming the agreement reached between the Landlord and the Joint Administrators. This was subsequently signed by the Landlord on 1 February 2012, bringing an end to the Company's interest in the Trading Premises
- 2.20 It is understood that the Secondary Premises was used as an overspill yard for vehicles and occupied pursuant to an informal arrangement. SFP Property has confirmed that the Joint Administrators have no further interest in the Secondary Premises. Accordingly, SFP Property has confirmed that all property related matters have been dealt with

Enquiries Raised by Company Director

- 2.21 The Joint Administrators have now attended to all queries raised by one of the Company's directors in relation to the Administration period

3. Investigations

- 3.1 In accordance with the Joint Administrators' duties, investigations are being made into the conduct of the Company's current directors by SFP Forensic Limited ("SFP Forensic"). The requisite D Form was submitted to the Insolvency Practitioners Compliance Unit ("IPCU") on 9 July 2012. All information contained in the D form is strictly confidential and the Joint Administrators are not permitted to divulge details of their recommendations to the IPCU
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- 3.2 SFP Forensic's investigations are now complete and there is no prospect of any further recovery for the benefit of creditors

4 Dividend Prospects / Payments

Preferential Creditors

- 4.1 As stated in the previous report, due to the sale of the business and assets as a going concern to Autologic, all employees were transferred under the Transfer of Undertaking and Protection of Employment regulations
- 4.2 A number of employees were however, made redundant prior to the Joint Administrators' appointment and submitted claims to the Redundancy Payments Office ("RPO") The preferential element of the RPO's claim amounts to £884 The preferential element of employee claims to date total £747
- 4.3 There is no prospect of a dividend to preferential creditors

Non-Preferential Claims

- 4.4 The non-preferential creditors' claims are summarised below

Creditor	Estimated Statement of Affairs £	Claims Received as at 11 July 2013 £
HM Revenue and Customs – VAT/PAYE/NIC	330,000 00	637,934 00
RPO / Employee Claims	Uncertain	80,550 00
Trade and Expense	870,143 00	1,360,316 00

- 4.5 There is no prospect of a dividend to unsecured creditors
- #### 5. The Joint Administrators' Costs
- 5.1 At **Appendix I** is the Company's Final Income and Expenditure Account as at 11 July 2013 This is in the main self explanatory
- 5.2 At **Appendix II** is a breakdown of the time that has been incurred by the Joint Administrators' firm from 22 June 2013 to date, together with details of charge out rates / activity summaries At **Appendix VIII** is a Guide to Administrators' Fees, being set out in Statement of Insolvency Practice 9 The Joint Administrators' fees have previously been authorised by the creditors
- 5.3 Within 21 days of receipt of a progress report a creditor may request the Administrator to provide further information about the remuneration and expenses set out in the report A request must be in writing and may be made by either a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors or the permission of the court
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- 5.4 In accordance with Rule 2.109 of the Rules, any secured creditor, or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors, or with the permission of the Court, may apply to the Court on the grounds that the remuneration or other expenses are excessive. Any such application must be made no later than 8 weeks after receipt of this report.
- 5.5 At **Appendix III** is a breakdown of the time that has been incurred by SFP Forensic from 22 June 2013 to date.
- 5.6 At **Appendix IV** is a breakdown of the time that has been incurred by SFP Recoveries from 22 June 2013 to date.
- 5.7 At **Appendix V** is a breakdown of the time that has been incurred by SFP Property from 22 June 2013 to date.
- 5.8 At **Appendix VI** is a breakdown of the time that has been incurred by SFP Datastore Limited ("SFP Datastore") from 22 June 2013 to date. Details concerning SFP Datastore can be found at **paragraph 5.14**.
- 5.9 At **Appendix VII** is a breakdown of SFP and its associated entities' charge out rates.
- 5.10 The First Report detailed the position in relation to disbursements and certain types of expenditure. To ensure that creditors are aware of how this operates, this Report reiterates the position. Disbursements and specific expenditure relating to the administration of an insolvent estate and payable to an independent third party are recoverable without creditor approval. Such expenditure is made, if funds are available from the insolvent estate. If funds are not available the payment is made from the Joint Administrators' firm's office account which is reimbursed from the insolvent estate if and when funds become available.
- 5.11 Payments made out of a firm's office account and re-charged to an insolvent estate are defined as 'Category 1 Disbursements'. This disbursement is explained further under the Expenses and Disbursements heading in the Guide to Administrators' fees, at **Appendix VIII**. There have been Category 1 Disbursements incurred to date in respect of the following:

Expenses	£	2,274.41
Miscellaneous	£	869.20
Bordereau	£	680.00
Company Search	£	38.00

- 5.12 Expenditure incidental to the administration of the insolvent case, which by its nature includes an element of shared or allocated costs, are recoverable with creditor approval. These payments are defined as 'Category 2 Disbursements' and, once again, this disbursement is explained further in the Guide to Administrators' fees, at **Appendix VIII**. There have been Category 2 Disbursements incurred to date in respect of the following:

Postage	£	689.74
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The following Category 1 Disbursements have been incurred to date but not recharged to the estate

Postage	£	34 68
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As detailed in the First Report, SFP Forensic, SFP Recoveries, SFP Property and SFP Datastore's remuneration will be treated as a Category 2 Disbursement. Each of the associated entities may incur disbursements in carrying out its function. To date, SFP Datastore, SFP Forensic and SFP Property have incurred disbursements amounting to £5,468 10, £51 90 and £142 51, respectively. SFP Datastore, SFP Forensic and SFP Property have recovered disbursements of £5,028 10, £51 90 and £142 51. Creditors have previously provided sanction to recover disbursements of this type.

5 13 At **Appendix IX**, is a summary of Category 1 and Category 2 Disbursements, detailing the rates of the latter.

5 14 The fees incurred by Winterhill, SFP Recoveries, SFP Forensic, SFP Property and the solicitors assisting in this matter, Addleshaw Goddard and FWJ are calculated on a time cost basis. SFP Datastore has been employed by the Joint Administrators to store the Company's books and records as well as providing security services (where appropriate). Its fees for storage and security services are both on a fixed fee basis and on a time cost basis for any additional work carried out.

6. Additional Points and Conclusion

6 1 The requisite form to dissolve the Company is now in the process of being filed at Companies House.

6 2 Should any creditor have any questions or queries in relation to the above, please contact the Senior Administrator dealing with this matter, Richard Hunt on 020 7538 2222.

Dated this 17th day of July 2013



Simon Plant
Joint Administrator

Sensible Transport Limited (in Administration)

Report to Creditors

APPENDIX I

- **Income and Expenditure Account / Trading Statement / Comparison to Estimated Statement of Affairs**

Sensible Transport Limited
(In Administration)

INCOME AND EXPENDITURE ACCOUNT

Statement of affairs £	From 26/01/2012 To 25/07/2012 £	From 26/07/2012 To 21/12/2012 £	From 22/12/2012 To 21/06/2013 £	From 22/06/2013 To 11/07/2013 £	From 26/01/2012 To 11/07/2013 £
RECEIPTS					
Contribution From Purchaser Towards Trading Costs	2,500 00	0 00	0 00	0 00	2,500 00
Payment From Factor For PAYE & National Insurance	8,662.84	0 00	0 00	0 00	8,662.84
Sale of Business and Assets	185 000 00	185,000 00	0 00	0 00	185,000 00
Leumi Contribution Towards Costs	38 717 00	230,554 86	14 929 97	0 00	245 484 83
Debt Recovery Monies To Be Verified *		10,150 19	-5 328 70	0 00	0 00
Miscellaneous Refund		1 128 60	0 00	0 00	1,128 60
Rates Refund		5 092 50	0 00	0 00	5,092 50
VAT Refund		34 032.61	0 00	0 00	34 032 61
Bank Interest Gross		5 70	4 93	0 00	10 63
TOTAL RECEIPTS	477,127 30	9 606 20	-4 821 49	0 00	481 912.01
PAYMENTS					
Repairs & Maintenance	1,486 20	183 09	0 00	0 00	1 669 29
Motor Vehicle Costs	156 03	0 00	0 00	0 00	156 03
Security Costs	1,209 60	0 00	0 00	0 00	1 209 60
VAT Paid **	23,416 63	0 00	0 00	0 00	23 416 63
Bank of Scotland (Lloyds)	50 000 00	0 00	0 00	0 00	50 000 00
Pension Advice	300 00	0 00	0 00	0 00	300 00
SFP Datastore Fees	8 506 05	0 00	0 00	0 00	8 506 05
Disbursements	5 028 10	0 00	0 00	0 00	5,028 10
SFP Forensic Fees	3 000 00	0 00	0 00	0 00	3 000 00
SFP Forensic Disbursements	51 90	0 00	0 00	0 00	51 90
SFP Property Fees	11 360 00	0 00	0 00	0 00	11 360 00
SFP Property Disbursements	142 51	0 00	0 00	0 00	142 51
SFP Recoveries Fees	93 000 00	13 330 00	0 00	0 00	106 330 00
Office Holders Pre Appointment Fees	0 00	5 852 50	0 00	0 00	5,852 50
Office Holders Remuneration	132 985 00	35 030 00	0 00	0 00	168 015 00
Office Holders Disbursement - Cat 1	3,735.21	121 40	0 00	5 00	3 861 61
Office Holders Disbursement - Cat 2	458 14	136 57	0 00	95 03	689 74
Agents Fees	25 750 00	6,000 00	0 00	0 00	31 750 00
Agents Disbursements	3 161 67	0 00	0 00	0 00	3 161 67
Legal Fees	35 138 50	4 000 00	0 00	0 00	39 138 50
Legal Disbursements	228 50	3 00	0 00	0 00	231 50
Courier Charges	0 00	86 92	0 00	0 00	86 92
Re-Direction of Mail	110 00	60 00	60 00	0 00	230 00
Statutory Advertising	162 22	0 00	0 00	0 00	162 22
Other Property Expenses	2,000 00	0 00	0 00	0 00	2 000 00
Insurance of Assets	5 073 79	0 00	0 00	0 00	5 073 79
PAYE & NI	8 662 84	0 00	0 00	0 00	8 662 84
Bank Charges	15 73	6 08	0 00	0 00	21 81
Corporation Tax	0 00	0 00	0 00	3 803 80	3 803.80
TOTAL PAYMENTS	413 138 62	64 809 56	60 00	3 903 83	481 912.01
BALANCE AT HAND	63,988 68	55,203 36	-4,881 49	3,903 83	0 00
REPRESENTED BY					
Cash at Bank	20,730 63	-15 477 81	1 348 99	-3,903 83	0 00
VAT Control Account	43 258 05	-39 725 55	-3 532.50	0 00	0 00
BALANCE AT HAND	63,988 68	55,203 36	-4,881 49	-3,903 83	0 00

*This figure has reduced as certain debtor monies received were in relation to Autologic (UK) Limited so funds were subsequently transferred to it.

**VAT has been paid on sales to Her Majesty's Revenue and Customs but not received into the Estate Account from the Invoice Discounter, Leumi ABL Limited

Sensible Transport Limited
(in Administration)

TRADING STATEMENT TO 11 JULY 2013

	£	£
INCOME:		
Sales		142,492
EXPENDITURE:		
Motor Vehicle Costs / Repairs	2,317	
Fuel Costs	70	
Security Costs	1,210	
Insurance	5,074	
		(8,671)
PROFIT		<u>133,821</u>

NB/

- Fuel expenses up to £35,000 were satisfied by Autologic UK Limited
- Wages of £25,734 were satisfied by Leumi ABL Limited
- PAYE/NIC of £8,662 was satisfied by Leumi ABL Limited

Sensible Transport Limited (in Administration)

Report to Creditors

APPENDIX II

- **Breakdown of Joint Administrators' Fees / Activity Codes**

SFP



SENSIBLE TRANSPORT LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 22 JUNE 2013 TO 11 JULY 2013

CLASSIFICATION OF WORK FUNCTION	Director	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total
Administration and Planning	0 00	0 00	5 60	0 00	0 00	2 40	9 30
Investigation	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisation of assets	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total	0 00	0 00	5 60	0 00	0 00	2 40	9 30
Average rate £ per hour	0 00	0 00	300 00	0 00	0 00	100 00	233 87
Total Costs £	0 00	0 00	1,680 00	0 00	0 00	240 00	2,175 00
Total costs from 26/01/2012 to 21/06/2013							184,340 00
Total costs from 26/01/2012 to 11/07/2013							186,515 00
Remuneration drawn on account							168,015 00

See Appendix for Summary Charge Out Rates for staff

SIP 9 STANDARD ACTIVITY SUMMARIES

Standard Activity	Examples of Work
Administration and Planning	Case Planning Administrative set up Appointment and notification Maintenance of records Statutory reporting Estate accounting Schedule company books and records
Investigation	SIP 2 CDDA report Investigating antecedent transactions
Realisation of assets	Identifying, securing, insuring assets Retention of title Debt collection – pre and post appointment Property, business and asset sales Communication and negotiations with secured creditors
Trading	Planning Management of operation Communication/negotiation with suppliers Communication/negotiation with landlord Communication/negotiation with third parties Monitor goods outward/inwards Stock take On-going employee issues Travel
Creditors	Communication with creditors Creditor claims (including employees and other preferential creditors)

Sensible Transport Limited (in Administration)

Report to Creditors

APPENDIX III

- **Breakdown of SFP Forensic Limited Fees**

SENSIBLE TRANSPORT LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 22 JUNE 2013 TO 11 JULY 2013

CLASSIFICATION OF WORK FUNCTION	Managing Director	Director	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total
Administration and Planning	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Investigation	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisation of assets	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Average rate £ per hour	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Costs £	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total costs from 26/01/2012 to 21/06/2013								30,787 50
Total costs from 26/01/2012 to 11/07/2013								30,787 50
Remuneration drawn on account								3,000 00

See Appendix for Summary Charge Out Rates for staff

Sensible Transport Limited (in Administration)

Report to Creditors

APPENDIX IV

- **Breakdown of SFP Recoveries Limited Fees**

SFP



RECOVERIES

SENSIBLE TRANSPORT LIMITED (IN ADMINISTRATION)



SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 22 JUNE 2013 TO 11 JULY 2013

CLASSIFICATION OF WORK FUNCTION	Managing Director	Director	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total
Administration and Planning	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 40
Investigation	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisation of assets	0 00	0 00	0 00	0 00	1 50	0 00	0 00	21 30
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total	0 00	0 00	0 00	0 00	1 50	0 00	0 00	21 70
Average rate £ per hour	0 00	0 00	0 00	0 00	250 00	0 00	0 00	265 67
Total Costs £	0 00	0 00	0 00	0 00	375 00	0 00	0 00	5,765 00
Total costs from 26/01/2012 to 21/06/2013								122,905 00
Total costs from 26/01/2012 to 11/07/2013								128,670 00
Remuneration drawn on account								106,330 00

See Appendix for Summary Charge Out Rates for staff

Sensible Transport Limited (in Administration)

Report to Creditors

APPENDIX V

- **Breakdown of SFP Property Limited Fees**

SFP



PROPERTY



SENSIBLE TRANSPORT LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 22 JUNE 2013 TO 11 JULY 2013

CLASSIFICATION OF WORK FUNCTION	Managing Director	Director	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total
Administration and Planning	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Average rate £ per hour	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Costs £	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total costs from 26/01/2012 to 21/06/2013								13,757 50
Total costs from 26/01/2012 to 11/07/2013								13,757 50
Remuneration drawn on account								11,360 00

See Appendix for Summary Charge Out Rates for staff

Sensible Transport Limited (in Administration)

Report to Creditors

APPENDIX VI

- **Breakdown of SFP Datastore Limited Fees**

SFP



DATASTORE

SENSIBLE TRANSPORT LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 22 JUNE 2013 TO 11 JULY 2013

CLASSIFICATION OF WORK FUNCTION	Managing Director	Director	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total
Administration and Planning	6 00	0 00	0 00	0 00	0 00	0 00	6 00	12 00
Investigation	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisation of assets	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total	6 00	0 00	0 00	0 00	0 00	0 00	6 00	12 00
Average rate £ per hour	75.00	0 00	0 00	0 00	0 00	0 00	75 00	75 00
Total Costs £	450 00	0 00	0 00	0 00	0 00	0 00	450 00	900 00
Total costs from 26/01/2012 to 21/06/2013								7,257 95
Total costs from 26/01/2012 to 11/07/2013								8,157 95
Remuneration drawn on account								6,506 05

See Appendix for Summary Charge Out Rates for staff

Sensible Transport Limited (in Administration)

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APPENDIX VII

- **SFP and Associated Entity Charge Out Rates**



Charge out Rates for SFP main practice and associated entities and Schedule of Expenses

SFP and the Associated Entities remuneration is calculated on an hourly time cost basis, divided into 6 minute units calculated as follows:

Main Practice			SFP Forensic Limited			SFP Property Limited			SFP Recoveries Limited		
Grade		Rate p/hr	Grade		Rate p/hr	Grade		Rate p/hr	Grade		Rate p/hr
Director 2		500	Managing Director		500	Managing Director		350	Managing Director		500
Director 1		450	Senior Manager 2		350	Senior Manager 2		275	Senior Manager 2		350
Senior Manager 2		350	Senior Manager 1		325	Senior Manager 1		250	Senior Manager 1		325
Senior Manager 1		325	Manager 2		300	Manager 2		225	Manager 2		300
Manager 2		300	Manager 1		275	Manager 1		200	Manager 1		275
Manager 1		275	Senior Administrator 2		250	Senior Administrator 2		175	Senior Administrator 2		250
Senior Administrator 2		250	Senior Administrator 1		225	Senior Administrator 1		155	Senior Administrator 1		225
Senior Administrator 1		225	Administrator 2		175	Administrator 2		135	Administrator 2		175
Administrator 2		175	Administrator 1		150	Administrator 1		115	Administrator 1		150
Administrator 1		150	Assistant		100	Assistant		100	Assistant		100
Assistant		100									

SFP Datastore Limited			Supporting Services		
Grade		Rate p/hr			
Storage Tasks (Retrieval and collection)		25	Hire of Security Personnel		£18.50 per hour
Staff costs			Mileage		£1.10 per mile
Inventorising and Additional		75	Chauffeur Services		£1.35 per mile (£50 minimum)
Staff Costs					



A minimum period of 2 years' storage is charged up front in respect of all Administration appointments at a rate of £20 80 per box held. In addition, a destruction charge of £9 per box is also charged up front.

The minimum charge is based on the assumption that the Administration will continue for a period of one year, plus the requirement to then hold records for a further period of one year once the Company has been dissolved. In the event that the Administration is concluded early, the Company is dissolved early and the records are held for less than the anticipated two year period, any fees billed and paid in advance will be credit noted and the funds repaid to the estate as necessary. In the event that the Administration is extended, any additional charges incurred by SFP Datastore Limited will be paid as they are incurred.

Direct Expenses (Category 1 Disbursements)	
Category 1 Disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case will be charged to the estate at cost, with no uplift. These include, but are not limited, to such items as advertising, bonding and other insurance premiums and properly reimbursed expenses.	

Indirect Expenses (Category 2 Disbursements)			
Stationery / Photocopying	Per page / envelope (£)	Postage	Travel
1 page of headed paper	0.12	Postage - 1 st class (small)	Mileage incurred as a result of necessary travel is charged at the HM Revenue & Customs approved rate of 45p per mile.
1 page of continuation paper	0.10	Postage - 1 st class (large)	
1 page of photocopying paper	0.02	Postage - 2 nd class (small)	
Envelopes (all sizes)	0.10	Postage - 2 nd class (large)	
		Postage rate (£)	
		0.47	
		0.71	
		0.33	
		0.58	

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APPENDIX VIII

- **Guide to Administrators Fees**



A CREDITORS' GUIDE TO ADMINISTRATORS' FEES

ENGLAND AND WALES

1 Introduction

- 1.1 When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The Insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees, explain the basis on which fees are fixed and how creditors can seek information about expenses incurred by the administrator and challenge those they consider to be excessive.

2 The nature of administration

- 2.1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:

- rescuing the company as a going concern or
- achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration,

or if the administrator thinks neither of these objectives is reasonably practicable

- realising property in order to make a distribution to secured or preferential creditors

3 The creditors' committee

- 3.1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is normally established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee or when a member of the committee asks for one or when the administrator decides he needs to hold one. The committee has power to summon the administrator to stand before it and provide information about the exercise of his functions.

4 Fixing the administrator's remuneration

- 4.1 The basis for fixing the administrator's remuneration is set out in Rule 2.105 of the Insolvency Rules 1985, which states that it shall be fixed:

- as a percentage of the value of the property which the administrator has to deal with
- by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration or
- as a set amount.

Any combination of these bases may be used to fix the remuneration, and different bases may be used for different things done by the administrator. Where the remuneration is fixed as a percentage different percentages may be used for different things done by the administrator.

It is for the creditors' committee (if there is one) to determine on which of these bases, or combination of bases, the remuneration is to be fixed. Where it is fixed as a percentage it is for the committee to determine the percentage or percentages to be applied and where it is a set amount, to determine that amount. Rule 2.105 says that in arriving at its decision the committee shall have regard to the following matters:

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- the complexity (or otherwise) of the case
- any responsibility of an exceptional kind or degree which falls on the administrator
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties
- the value and nature of the property which the administrator has to deal with

- 4.2 If there is no creditors' committee or the committee does not make the requisite determination (and provided the circumstances described in paragraph 4.3 do not apply) the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as apply in the case of the committee. If the remuneration is not fixed in any of these ways it will be fixed by the court on application by the administrator, but the administrator may not make such an application unless he has first tried to get his remuneration fixed by the committee or creditors as described above, and in any case not later than 18 months after his appointment.

- 4.3 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets.

In this case if there is no creditors' committee or the committee does not make the requisite determination, the remuneration may be fixed by the approval of –

- each secured creditor of the company or
- if the administrator has made or intends to make a distribution to preferential creditors – each secured creditor of the company and preferential creditors whose debts amount to more than 50% of the preferential debts of the company disregarding debts of any creditor who does not respond to an invitation to give or withhold approval

having regard to the same matters as the committee would.

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company.

- 4.4 A resolution of creditors may be obtained by correspondence.

5 Review of remuneration

- 5.1 Where there has been a material and substantial change in circumstances since the basis of the administrator's remuneration was fixed, the administrator may request that it be changed. The request must be made to the same body as initially approved the remuneration, and the same rules apply as to the original approval.

6 Approval of pre-administration costs

- 6.1 Sometimes the administrator may need to seek approval for the payment of costs in connection with preparatory work incurred before the company went into administration but which remain unpaid. Such costs may relate to work done either by the administrator or by another insolvency practitioner. Details of such costs must be included in the administrator's proposals.

- 6.2 Where there is a creditors' committee it is for the committee to determine whether, and to what extent, such costs should be approved for payment. If there is no committee or the committee does not make the necessary determination or if it does but the administrator or other insolvency practitioner who has incurred pre-administration costs, considers the amount agreed to be insufficient, approval may be given by a meeting of creditors. Where the circumstances described in

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paragraph 4.3 apply the determination may be made by the same creditors as approve the administrator's remuneration.

- 6.3 The administrator must convene a meeting of the committee or the creditors for the purposes of approving the payment of pre-administration costs if requested to do so by another insolvency practitioner who has incurred such costs. If there is no determination under these provisions, or if there is but the administrator or other insolvency practitioner considers the amount agreed to be insufficient, the administrator may apply to the court for a determination.

7 What information should be provided by the administrator?

7.1 When seeking remuneration approval

- 7.1.1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on:

- the nature of the approval being sought;
- the stage during the administration of the case at which it is being sought; and
- the size and complexity of the case.

- 7.1.2 Where, at any creditors' or committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

- 7.1.3 Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent:

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff:

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the administrator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain:

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- Any significant aspects of the case, particularly those that affect the amount of time spent.
- The reasons for subsequent change in strategy.
- Any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make.
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement.
- Any existing agreement about fees.
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid and what steps have been taken to review their fees.

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

- 7.1.4 Where the fee is charged on a percentage basis the administrator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by an administrator or his staff.

7.2 After remuneration approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the administrator should specify the amount of remuneration he has drawn in accordance with the resolution (see further paragraph 8.1 below). Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 7.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 7.1.4 above regarding work which has been sub-contracted out.

7.3 Disbursements and other expenses

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements but there is provision for the creditors to challenge them as described below. Professional guidance issued to insolvency practitioners requires that, where the administrator proposes to recover costs which whilst being in the nature of expenses or disbursements may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the administrator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

8 Progress reports and requests for further information

- 8.1 The administrator is required to send a progress report to creditors at 6-monthly intervals. The report must include:

- details of the basis fixed for the remuneration of the administrator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it);
- if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report);
- if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done during those periods, irrespective of whether payment was actually made during the period of the report;
- a statement of the expenses incurred by the administrator during the period of the report, irrespective of whether payment was actually made during that period.

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- the date of approval of any pre-administration costs and the amount approved
 - a statement of the creditors' rights to request further information, as explained in paragraph 8.2 and their right to challenge the administrator's remuneration and expenses
- 8.2 Within 21 days of receipt of a progress report, a creditor may request the administrator to provide further information about the remuneration and expenses (other than pre-administration costs) set out in the report. A request must be in writing and may be made either by a secured creditor or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court.
- 8.3 The administrator must provide the requested information within 14 days unless he considers that:
- the time and cost involved in preparing the information would be excessive, or
 - disclosure would be prejudicial to the conduct of the administration or might be expected to lead to violence against any person, or
 - the administrator is subject to an obligation of confidentiality in relation to the information requested.
- in which case he must give the reasons for not providing the information
- Any creditor may apply to the court within 21 days of the administrator's refusal to provide the requested information or the expiry of the 14 days time limit for the provision of the information
- 9 Provision of information – additional requirements
- The administrator must provide certain information about time spent on a case free of charge upon request by any creditor, director or shareholder of the company
- The information which must be provided is –
- the total number of hours spent on the case by the administrator or staff assigned to the case
 - for each grade of staff the average hourly rate at which they are charged out
 - the number of hours spent by each grade of staff in the relevant period
- The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment, or where he has vacated office the date that he vacated office
- The information must be provided within 28 days of receipt of the request by the administrator and requests must be made within two years from vacation of office.
- 10 What if a creditor is dissatisfied?
- 10.1 If a creditor believes that the administrator's remuneration is too high the basis is inappropriate or the expenses incurred by the administrator are in all the circumstances excessive he may provided certain conditions are met, apply to the court.
- 10.2 Application may be made to the court by any secured creditor or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the administrator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 8.1 above). If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing.
- 10.3 If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise the costs of the application must be paid by the applicant and not as an expense of the administration.

- 11 What if the administrator is dissatisfied?
- 11.1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient or that the basis used to fix it is inappropriate he may request that the amount or rate be increased, or the basis changed, by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient or that the basis used to fix it is inappropriate he may apply to the court for the amount or rate to be increased or the basis changed. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.
- 12 Other matters relating to remuneration
- 12.1 Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.
- 12.2 If the administrator is a solicitor and employs his own firm to act on behalf of the company profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.
- 12.3 If a new administrator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new administrator until a further determination, resolution or court order is made.
- 12.4 Where the basis of the remuneration is a set amount, and the administrator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing administrator. The application must be made to the same body as approved the remuneration. Where the outgoing administrator and the incoming administrator are from the same firm they will usually agree the apportionment between them.
- 13 Effective date
- This guide applies where a company enters administration on or after 6 April 2010 except where
- the application for an administration order was made before that date, or
 - where the administration was preceded by a liquidation which commenced before that date.

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APPENDIX IX

- **Category 2 Disbursement Summary Charge Sheet**



DIRECT EXPENSES (Category 1 Disbursements)

Category 1 Disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case, will be charged to the estate as cost, with no uplift. These include, but are not limited, to such items as advertising, bonding and other insurance premiums and properly reimbursed expenses.

INDIRECT EXPENSES (Category 2 Disbursements)

It is normal practice to also charge the following indirect disbursements (Category 2 Disbursements, as defined by SIP 9) to the case, where appropriate. These costs are as follows:

Stationery / Photocopying	Cost Per Page / Envelope
* 1 page of headed paper	0 12
* 1 page of continuation paper	0 10
* 1 page of photocopying paper	0 02
* Envelopes (all sizes)	0 10
 Postage	 Postage Rate
Postage – 1 st class (small)	0 47
Postage – 1 st class (large)	0 71
Postage – 2 nd class (small)	0 33
Postage – 2 nd class (large)	0 58

Travel

Mileage incurred as a result of necessary travel is charged at the H M Revenue & Customs approved rate of 45p per mile.

Please note that sanction has been obtained to treat the fees of SFP Forensic Limited, SFP Property Limited, SFP Recoveries Limited and SFP Datastore Limited as Category 2 Disbursements.