

Form 2.23B

Rule 2.46

The Insolvency Act 1986

Notice of result of meeting of creditors

Name of Company S P BELL LIMITED	Company number 2768778
In the High Court of Justice Chancery Division, Companies Court <small>[full name of court]</small>	Court case number 4752 of 2004

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

I / We (a) **Asher Miller and David Rubin**

*Delete as applicable

David Rubin & Partners, 319 Ballards Lane, London N12 8LY

hereby report that *a meeting / ~~an adjourned meeting of the creditors of the above company~~ was
held at

(b) Insert place of meeting

(b) **the offices of David Rubin & Partners, 319 Ballards Lane, London N12 8LY**

(c) Insert date of meeting

on (c) **27 August 2004** at which:

*Delete as applicable

*1. Proposals / ~~revised proposals~~ were approved.

*2. ~~Proposals / revised proposals were modified and approved.~~

~~The modifications made to the proposals are as follows:~~

(d) Give details of the
modifications (if any)

(d) _____

*3. ~~The proposals were rejected.~~

(e) Insert time and date of
adjourned meeting

*4. ~~The meeting was adjourned to (e)~~ _____

(f) Details of other resolutions
passed

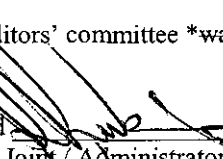
*5. ~~Other resolutions: (f)~~ _____



*Delete as applicable

The revised date for automatic end to administration is _____

A creditors' committee ~~*was~~ / was not formed.

Signed 
Joint / Administrator(s)

Dated 31/8/04

*Delete as applicable

A copy of the ~~*original proposals / modified proposals / revised proposals~~ is attached for those who did not receive such documents prior to the meeting.

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

David Rubin & Partners	
319 Ballards Lane	
London N12 8LY	Tel 020 8446 8203
DX Number 57368	DX Exchange Finchley 1

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

STATEMENT OF PROPOSALS**UNDER PARAGRAPH 49 OF SCHEDULE B1****OF THE INSOLVENCY ACT 1986**

As required by Paragraph 49 of Schedule B1 of the Insolvency Act 1986 ("the Act") and Rule 2.33 of the Insolvency Rules 1986 ("the Rules") we, Asher Miller and David Rubin, the Joint Administrators of S P Bell Limited ("the Company"), make to the creditors the following proposals for achieving the purpose of the Administration entered into on 23 July 2004. Approval of these proposals will be considered as a single resolution at a meeting of creditors to be held on 27 August 2004 at 12.00 noon.

1 – Brief history of the Company

- 1.1 The Company was incorporated on 27 November 1992 as Rowan & Company (Financial Services) Limited. This was changed to Rowan & Company Investment Management Limited on 1 October 1999 and to Seymour Pierce Bell Limited on 4 October 2000, and finally to the present name on 18 December 2003.
- 1.2 The Company's principal activity was the provision of private client investment services. The company is regulated by the Financial Services Authority ("FSA"). From a chain of offices across the country, an agency-only stockbroking business was operated and fees were also derived from portfolio management, PEP and ISA management, corporate placings and from products typically offered by independent financial advisers. At the time of its acquisition by Forum Finance Group Limited ("Forum"), referred to below, the Company was incurring substantial losses.
- 1.3 On 3 June 2003 the Company's issued share capital was acquired by Forum from Seymour Pierce Group plc ("Seymour Pierce"), and Simon Eagle became its chief executive. Mr Eagle acquired all the issued shares in Forum later that month.
- 1.4 A strategy was devised to eliminate losses and expand the business. It was proposed that the share capital of Forum would be acquired by an Alternative Investment Market ("AIM") listed company, Merchant House Group Plc ("MHG"). The proposed consideration for the Forum shares was £1,995,000, to be satisfied by the allotment and issue of 19,950,000 ordinary shares in MHG.
- 1.5 Progress with the acquisition had reached an advanced stage when the Company became associated with unusual trading patterns in shares in Fundamental-E Investments Plc ("Fundamental-E"), and suspension of trading in Fundamental-E's securities was announced by the London Stock Exchange on 15 July 2004. On the same day, MHG announced that it was unable to proceed with the acquisition of Forum.

- 1.6 The consequences as regards the Company's regulated status meant that it could no longer trade. Furthermore, it was faced with substantial liabilities to its settlement agents, Pershing Securities Limited ("Pershing"). As a result the Company and Mr Eagle accepted the effective freezing of the Company's assets under the terms of a consent order dated 19 July 2004. However, an offer to acquire the majority of its business was forthcoming from S P Angel & Co Limited ("SPA") (also formerly a member of the Seymour Pierce group), and other potential purchasers were sought.
- 1.7 No other offers from appropriately regulated parties were forthcoming, but SPA was willing to proceed. To satisfy the terms of the consent order, on 21 July a solicitor instructed by the Company approached David Rubin & Partners for advice, and a meeting with the solicitor, Mr Eagle, David Rubin, Asher Miller and representatives of SPA was held the following day. As a result, the sale consideration was agreed, with the formal agreement to be entered into on behalf of the company by administrators. The Company then appointed Mr Rubin and Mr Miller as joint administrators on 23 July.

2 - Purpose of the Administration Order

- 2.1 The Joint Administrators must perform their functions with the objective of –
- (a) rescuing the company as a going concern, or
 - (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
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors.
- 2.2 In this case, the Joint Administrators did not consider that objective (a) was achievable as the Company was clearly insolvent and its ability to trade had been curtailed by changes to its regulated status and the consent order. Accordingly, objective (b) has been pursued, and an agreement was concluded on 30 July 2004 to transfer the majority of the Company's business and all branch offices, account executives and administration staff to SPA, which was already at an advanced stage in negotiations to purchase the business. By achieving a sale as a going concern, via the Administration, the creditors, as a whole, were most likely to benefit. The primary considerations were as follows:
- asset realisations were enhanced, compared to what might be realised on a break up basis in a liquidation;
 - moreover, continuation of business avoided the need to dismiss employees, which would have given rise to substantial liabilities, and avoided or reduced claims of other contingent creditors such as landlords; and

- by assuring continuity of the company's business, client accounts have been maintained allowing the majority of clients to transfer their business to their new brokers with the least possible disruption. If business had simply ceased, it was probable that substantial contractual claims would arise from clients who might have been unable to trade their shares for a number of weeks, while accessing their accounts and finding new brokers.

- 2.3 The sale agreement, dated 30 July 2004, was made between the Company as vendor, the Joint Administrators and SPA as purchaser. The total consideration of £50,000 was made up as follows:

	£
Goodwill, intellectual property, materials, premises and contracts	1
Equipment	43,249
Rent deposits	6,750
	<hr/>
Total	<u>£50,000</u>

- 2.4 After consultation, Pershing, the Company's largest creditor, and the FSA, gave the necessary co-operation, support and consent in respect of the consent order, to enter into the sale agreement.
- 2.5 The Joint Administrators instructed solicitors Edwin Coe of 2 Stone Buildings, Lincoln's Inn, London, WC2A 3TH to advise on matters relating to the appointment of administrators and to draw up the sale agreement. Their fees are reflected in the receipts and payments account.

3 – End of Administration

- 3.1 Having achieved the sale of the business through the Administration, the Joint Administrators think that a distribution will be made to unsecured creditors of the Company, and accordingly that it should move from administration to creditors voluntary liquidation under Paragraph 83 of Schedule B1 of the Act.
- 3.2 While estimated costs of the Administration are substantial, and are likely to absorb most of the funds realised to date, the draft statement of affairs shows further unrealised assets comprising book debts, which are not included in the sale agreement, along with potential claims that could be pursued and realised by a liquidator. Furthermore, under the provisions of the Act, the Joint Administrators have only limited powers to agree the claims of creditors and to make distributions without sanction of the Court.

- 3.3 The proposed liquidator is one of the Joint Administrators, Asher Miller of David Rubin & Partners, who is a licensed insolvency practitioner, duly qualified under the Act to be the liquidator, and who so consents to act.
- 3.4 The creditors may nominate an alternative liquidator. Any such nomination should be advised to the Joint Administrators after the receipt of these proposals and before the proposals are approved at the forthcoming meeting.
- 3.5 The liquidator's appointment takes effect by the creditors' approval, with or without modification, of the Joint Administrators' proposals, on registration of the appropriate notice with the Registrar of Companies.

4 - Creditors' committee

- 4.1 A creditors' committee may be formed if three or more creditors are willing to serve on it.
- 4.2 With regard to the proposed move from administration to creditors' voluntary liquidation, any creditors' committee which is in existence immediately before the Company ceases to be in administration shall continue in existence after that time as if appointed as a liquidation committee under section 101.
- 4.3 If a committee is formed, we, and the liquidator when appointed, will consult with it from time to time on the conduct of the administration and liquidation. Where it is considered appropriate, the committee's sanction will be sought to proposed action instead of convening a meeting of all the creditors.

5 – Joint Administrators' remuneration

- 5.1 If no creditors' committee is formed, it is proposed, under Rule 2.106, that our fees will be calculated based upon the time properly spent on the Administration by us and the various grades of our staff according to our firm's usual charge out rates for work of this nature and that the disbursements be charged in accordance with the firm's policy as set out in Appendix C.
- 5.2 We will then be authorised to draw such fees and reasonable disbursements on account from time to time. An extract from the guidance produced by the Association of Business Recovery Professionals, Statement of Insolvency Practice 9 ("SIP 9"), "A creditors' guide to administrators' fees", is enclosed at Appendix D, along with our current charge out rates (Appendix C). Whilst a range of rates is given, typically, the lower rate will apply to the greater part of the time charged by the Joint Administrators and their staff.
- 5.3 In addition we will be authorised to draw category 2 disbursements on account as outlined in Appendix C.
- 5.4 It has been the Joint Administrators' policy to delegate the routine administration to junior staff wherever possible in order to maximise the cost effectiveness of the work performed. These staff are supervised by senior staff and by the Joint Administrators. Senior staff and the Joint Administrators have

dealt personally with any matter of particular complexity or significance that has required the responsibility of an exceptional kind.

- 5.5 In common with all professional firms, scale rates increase from time to time over the period of the administration on each insolvency case. David Rubin & Partners reserves the right to change the rates and grade structure.

Other matters to be included under Rule 2.33(2)

The following matters are to be included in the Statement of the Joint Administrators' proposals:

- (a) Court details: High Court of Justice
Chancery Division
Companies Court

Court case number 4752 of 2004
- (b) Company details: Name: S. P. Bell Limited

Registered Office: 319 Ballards Lane
London
N12 8LY

Registered number: 02768778
- (c) Details of appointment:

Date of appointment: 23 July 2004

Appointor: the Company

Rule 100(2): Administrators appointed to act jointly
- (d) Directors: Graham Harold Richard Betton

Simon Peter Eagle

Company Secretary: Graham Philip May
- (e) Account of circumstances giving rise to the appointment of the Joint Administrators - see 1 above.
- (f) A sworn statement of affairs has not yet been submitted, but a draft is attached as Appendix B, which is not expected to be substantially different from the final version.
- (g) No order limiting disclosure of the statement of affairs has been sought.

- (h) Names, addresses and debts of creditors and details of security held are set out in the draft statement of affairs in Appendix B.
- (j) A draft statement of affairs is attached as Appendix B. Owing to time pressures and the complexity of the Company's affairs, it has not been possible to include a final sworn statement of affairs as at the date of this statement of administrators' proposals.
- (k) Remuneration of the Joint Administrators is referred to in section 5 above.
- (l) There is no floating charge over the Company's assets and the provisions of section 176A of the Act do not apply.
- (m) How it is envisaged the purpose of the administration will be achieved and how it is proposed that the administration shall end – see 3 above.
- (n) Not applicable.
- (o) The manner in which the affairs and business of the Company –
 - (i) have, since the date of the Joint Administrators' appointment, been managed and financed, including, where assets have been disposed of, the reasons for such disposals, and the terms upon which such disposals were made; and
 - (ii) will, if the Joint Administrators proposals are approved, continue to be managed and financed.

See section 2 and 3 above.

- (p) The EC Regulation:
 - (i) the EC Regulation on insolvency proceedings applies to the Administration, and
 - (ii) the proceedings are main proceedings.
- (q) The joint Administrators are willing to consider requests for any further information which creditors may make to enable them to decide whether or not to vote for the adoption of the proposals.



ASHER MILLER
JOINT ADMINISTRATOR

Dated: 11 August 2004

S P BELL LIMITED (IN ADMINISTRATION)

APPENDIX A

JOINT ADMINISTRATORS RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD
23 JULY 2004 TO 11 AUGUST 2004

	Note	£	£
Receipts:			
Goodwill, intellectual property, contracts etc.	1	1	
Equipment, furniture and fittings	1	43,249	
Rent deposits	1	6,750	
Sundry debtors	2	8,906	
Forum Finance Group Limited	3	10,000	
Interest		<u>35</u>	
			68,941
Payments:			
Disbursements and charges		224	
Legal fees	4	14,404	
VAT		<u>2,515</u>	
			<u>17,143</u>
Balance			<u>£51,798</u>

S P BELL LIMITED (IN ADMINISTRATION)

APPENDIX A

NOTES TO THE JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT AS AT 11 AUGUST 2004

1 Sale of business and certain assets

On 30 July the majority of the business and assets of the Company were sold to S P Angel & Co Limited for a total consideration of £50,000, made up as shown.

2 Sundry debtors

Collections to date comprise payment in settlement of a contractual dispute and sundry commissions receivable.

3 Forum Finance Group Limited ("Forum")

The sum of £10,000 was advanced by Forum, the holding company, to meet initial costs of the Administration, and is to be applied against the debt due from Forum.

4 Legal fees

The fees of solicitors Edwin Coe of 2 Stone Buildings, Lincoln's Inn, London WC2A 3TH relate to advice and assistance in the appointment of the Joint Administrators and the preparation of the sale agreement referred to above.

S P BELL LIMITED (IN ADMINISTRATION)

APPENDIX B

DRAFT STATEMENT OF AFFAIRS
AS AT 23 JULY 2004

Assets		Book value	Estimated to realise
Uncharged assets	Note	£	£
Office equipment	1	51,716	} 43,249
Furniture and fixtures	1	2,836	
Investment	1	2	nil
Debtors and prepayments	2	761,506	uncertain
Forum Finance Group Limited	3	594,268	10,000
S P Holdings PLC	4	5,689	uncertain
Proactive Games Limited	5	10,000	10,000
Cash in hand and at banks	6	<u>18,404</u>	<u>18,404</u>
Estimated total assets available for preferential creditors			81,653
Liabilities			
Preferential creditors			<u>nil</u>
Estimated surplus as regards preferential creditors and total assets available to unsecured creditors			81,653
Unsecured non-preferential claims:			
As per list A		132,044	
Inland Revenue - PAYE		436,956	
Pershing Securities Limited	7	<u>10,213,224</u>	
			<u>10,782,224</u>
Estimated deficiency as regards creditors			10,700,571
Issued and called up capital:			
Ordinary shares of £1 each		1,127,516	
"B" ordinary shares of £1 each		<u>1,725,000</u>	
			<u>2,852,516</u>
Estimated total deficiency as regards members			<u>£13,553,087</u>

S P BELL LIMITED (IN ADMINISTRATION)

APPENDIX B

NOTES TO THE DRAFT STATEMENT OF AFFAIRS

1 Sale of business and certain assets

On 30 July the majority of the business and assets of the Company were sold to S P Angel & Co Limited for a total consideration of £50,000, of which £43,249 was apportioned to office equipment, furniture and fittings.

2 Debtors and prepayments

Debtors in the Company's accounts include a security deposit of £50,000, interest receivable of £5,981 and payments due of £499,495, all of which are being withheld by Pershing Securities Limited, which has counter claims as detailed in note 7 below. Other prepayments amounting to £154,221 include amounts still on the Company's purchase ledger. Although some recovery is expected, under the sale agreement of 30 July 2004, the purchaser has no obligation to the vendor in respect of prepayments. Accrued income from PEP fees and commission, shown at £41,590, is not realistically recoverable.

3 Forum Finance Group Limited ("Forum")

The Company is a wholly owned subsidiary of Forum, which advanced the sum of £10,000 to assist in achieving the appointment of the Joint Administrators and the sale of the business. No further recovery from Forum is expected.

4 S P Holdings PLC

Transactions on this account have not been reconciled. It is expected that any amount agreed to be due to the Company will be recovered.

5 Proactive Games Limited

Proactive Games Limited is a subsidiary of Fundamental-e Investments plc. The balance due is expected to be fully recoverable.

6 Cash in hand and at banks

The Company operated accounts at the Royal Bank of Scotland PLC and Barclays Bank PLC, both of which were in credit at the time of the appointment of the Joint Administrators.

continued...

S P BELL LIMITED (IN ADMINISTRATION)

APPENDIX B

NOTES TO THE DRAFT STATEMENT OF AFFAIRS - continued

7 Pershing Securities Limited

Unpaid debits on the customer accounts of the Company which remain at Pershing Securities Limited of Capstan House, One Clove Crescent, East India Dock, London E14 2BH, ("Pershing") total approximately £16 million. Against this figure, the total current value of securities in those accounts has been offset to reach the liability shown. The value of securities is determined by the relevant markets, and may be affected by the manner in which such securities are realised. Pershing advises that it reserves its rights to look to customers to recover these losses, although the Company's liability is unlikely to be affected.

8 Costs

Costs of the Administration and realisation of assets are not reflected.

S P Bell Limited - In Administration
List A - Company Creditors

Name	Address	Amount (£)
AV2Hire .com (Bedfordshire) Limited	8A Britannia House, Leagrave Road, Luton LU3 1RJ	211.50
Mrs Elaine Avery	Old Rosecroft Farm, The Street, West Harptree, Bristol BS40 6EA	152.97
Barker Telecommunications	Eagle Street, Bury New Road, Bolton BL2 2BU	597.42
Beta Clean Services	28 Castle Street, Spofforth, Nr Harrogate HG3 1AP	169.20
Bradford Waste Chasers	The Old Iron Mill, Lessama Court, Bowling Back Lane, Bradford BD4 8ST	41.13
Bristol City Council	Local Taxation, PO Box 968, Amelia Court, Pipe Lane, Bristol BS99 1ZG	2,736.00
BT Telephone Payment Centre	TVTE, Newcastle-upon- Tyne, NE82 6XX	2,964.06
Broadoak Limited	FAO: Julie Fleetwood, 60-61 Queen Square, Bristol BS1 4JZ	255.08
Broadbent Mawson	Financial Consulting, 111/113 Old Street, Aston-Under-Lyne, Lancashire OL6 7RW	271.13
Peter Bullen C.A	Unit A1/E Crabtree Road, Thorpe Industrial Estate, Egham, Surrey TW20 8RN	114.11
Capita IRG Plc	C/o Malcolm Thompson, Seymour Pierce Bell, Bristol	426.93
Computer Component	Marketing Limited, Unit 1A, Altringham Business P, Stuart Road, Broadheath, Altringham, Cheshire WA14 5GJ	2,371.04
Computer Support (Bristol) Ltd	2 The Polygon, Clifton, Bristol, BS8 4PW	446.50
Continum Limited	15 Biggens Gardens, Haeywood, Manchester OL10 2WK	21,819.31
The Corner Shop	11 High Street, Upavon, Wilts	95.40
Chambers IFA Limited	Stephen Andrews, 27 Gay Street, Bath BA1 2PD	440.60
Clement Jones	49 High Street, Holywell, Flintshire CH8 7TF	6.00
Davis Carrington	Fernhilld House, Todd Street, Bury BL9 5BJ	63.86

Signature.....

Date.....

S P Bell Limited - In Administration
List A - Company Creditors

Name	Address	Amount (£)
Chambers IFA Limited	Will Cogley, 27 Gay Street, Bath BA1 2PD	36.44
Clydesdale Bank Plc	National Custodian Services, P O Box 626, 150 Buchanan Street, Glasgow G1 2DY	23.54
Danka UK Plc	Purchase Ledger Department, 1230 Arlington Business Park, Theale, Reading, Berkshire RG7 4TX	436.80
Dixon Keogh Johnson	The Bull Ring, Northwich, Cheshire CW9 5BT	15.00
Elliot Bunker & Company	30 Queen Square, Bristol BS1 4ND	322.64
Daniel Farr	43 West Town Road, Backwell, Bristol, BS48 3HG	88.50
The Financial Services Authority	Finance Department, 25 The North Colonnade, Canary Wharf, London E14 5HS	39,744.78
G A H Douglas & Co Limited	268 Grahams Road, Falkirk FK2 7BH	330.08
Glasworthy Graphics	Twerton Mill, Lower Bristol Road, Bath BA2 1EW	424.36
GE Capital Equipment Finance	Capital House, Bond Street, Bristol BS1 3LA	1,135.89
Sarah Garbut	Flat A, 22 Regent Street, Clifton, Bristol BS8 4HG	502.50
Mr C.Horan	65, St John's Street, Winchester, Hampshire SO23 0HF	126.87
Hill Woolhouse Property Management	Unit 1, Chevin Mill, Leeds Road, Otley, West Yorkshire, LS21 1BT	1,808.02
Hobs Reprographics Plc	244-256 Deansgate, Manchester M3 4BQ	92.31
Mark Hog	2 Graham Road, Bedminster, Bristol	650.00
Messers Parker, Kelly & Co	1 st Floor, Walker Building, 51-53 Whitechapel, Liverpool L1 6DT	28.40
Leeds City Council	P.O Box 60, 2 Great George Street, Leeds LS2 8JR	6,150.45
London Stock Exchange	Credit Control, T12, London Stock Exchange, London EC2N 1HP	1,263.76

Signature.....

Date.....

S P Bell Limited - In Administration
List A - Company Creditors

Name	Address	Amount (£)
Merril Lynch	C/O : Jon Moody, Seymour Pierce Bell, Leeds	1,203.89
Masterclean UK Limited	Please check the address detai, 500 Liverpool Road, Eccles M30 7H	294.30
Mattioli Woods Pension	Consultants, Watling House, 1 Watling Drive, Hinckley LE10 3EY	216.53
Manchester City Council	Richard Paver-City Treasurer, PO Box 122, Manchester M15 5BR	7,044.00
Merchant News Limited	62 Prince Street, Bristol BS1 4QD	83.34
Midland Phone Services Plc	Shaw House, Wychbury Court, Brierley Hill, West Midlands DY5 1TA	599.25
Names.Co Internet Plc	Britannia Court, 5 Moor Street, Worcester WR1 3DB	281.99
Neat Ideas	Sandall Stones Road, Kirk Sandall, Doncaster DN3 1QU	138.60
NPOWER	PO Box 18, Kingswinford, West Midlands DY6 8BL	411.56
NB Stationery Ltd	St.James Centre, East Road, Templefields, Harlow, Essex CM20 2BJ	127.05
Oakes & Terry	7 The Beeches, Baidon, West Yorkshire BD17 6JN	49.05
Powell Communication Consultant	3 The Parsonage, Manchester M3 2HW	3,467.90
Progress Packaging Limited	Unit F1, Yorkshire & Technology Park, Armitage Bridge Mills, Huddersfield HD4 7NR	605.13
Proquote Limited	Tabley Court, Over Tabley, Knutsford, Cheshire WA16 0PL	5,533.27
I Parker	Queen Building Financial Servi, Queen Building, 8 Dale Street, Liverpool L2 4TQ	126.00
Powwow	4050 Chancellor Court, Oxford Business Park South, Garsington Road, Oxford OX4 2JY	7.05
Queens Street News	Kitchen Fare Limited, 86 Queen Street, Exeter EX4 3RP	206.35
Quinn Melville Solicitors	15 Stanley Street, Liverpool L16AA	40.40

Signature.....

Date.....

S P Bell Limited - In Administration
List A - Company Creditors

Name	Address	Amount (£)
Rippleglen Limited	67-69 St. Pauls Street, Leeds LS1 2TE	30.70
Royal Mail	The Remittance Centre, Papyrus Road, Werrington, Peterborough PE4 5PG	656.00
Southernhay Cleaners s.w Limited	27 Chamberlain Road, St Thomas, Exeter EX2 8EW	211.50
Scott-Law House	Lynch Road, Berkeley, Gloucestershire GL13 9TA	41.30
Signs Express (Warrington)	12 Aston Court, Kingsland Grange, Woolston, Warrington, Cheshire WA1 4SG	423.01
Spectrum Marketing	89 Baird's Way, Bonnyrigg, Midlothian, EH19 3NT	655.43
Splash Printing Limited	The Regent Building, 54 The Broadway, Mill Hill, London NW7 3LH	4,770.26
Swift Printing Limited	Unit 3 Southmill Trading Centr, Southmill Road, Bishop's Stortford, Herts CM23 3DY	540.50
The Daily Mail	Northcliffe House, 2 Derry Street, Kensington, London W8 5TT	235.00
Thompson Financial Limited	Aldgate House, 33 Aldgate High Street, London EC3N 1DL	13,723.71
Taylor Financial Planning	Coachmans Cornor, Bridge Hall Drive, Bury, Lancs BL9 7NX	61.29
Telewest Business Eurobell	Business Customer Services, Eurobell (Holdings) Limited, Genises Park, Albert Drive, Woking, Surrey GU21 5RW	140.27
Thirsty Work Water Coolers	Telford House, Hamilton Close, Basingstoke, Hampshire RG21 6YT	77.97
Morecroft Urquhart	2 Crown Buildings, Liverpool Road, Crosby, Liverpool L23 5SR	160.00
Uplands Retail Limited	Creswicke House, 9-11 Small Street, Bristol BS1 1DB	558.13
Viking Direct Limited	PO Box 279, Leicester LE3 1YU	793.78
Vodafone Limited	2 Purley Way, Croydon CR0 3JP	121.71
Water Bearers	Gibbs House, Kennel Ride, Ascot SL5 7NT	187.43

Signature.....

Date.....

S P Bell Limited - In Administration
List A - Company Creditors

Name	Address	Amount (£)
Willlett & Sons Holdings	51 Queen Square, Bristol BS1 4LJ	1,254.53
Wise Move Waste Disposals	35 Wallbrook Crescent, Little Hulton, Manchester M38 9EE	55.22
Xerox (UK) Limited	PO Box 4017, Worthing, West Sussex, BN14 8RJ	240.24
Zen Internet Limited	Moss Bridge Road, Rochdale OL16 5EA	123.54
Zenith Office Supplies Limited	Zenith House, Hilton Fold Land, Manchester M24 2LE	184.34
Totalling		132,044.10

Signature.....

Date.....

S P BELL LIMITED (IN ADMINISTRATION)

APPENDIX C

DAVID RUBIN & PARTNERS CURRENT CHARGEOUT RATES

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), the current hourly chargeout rates applicable to this appointment, exclusive of VAT, are as follows:

	£
Partners / Office holders	250-300
Managers	150-175
Senior administrators	100-125
Assistant and support staff	50-75

Chargeout rates are normally reviewed annually in November, when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance.

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 case advertising, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case.

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:

Postage and stationery: circulars to creditors

Plain/headed paper	25p per sheet
Photocopying	6p per sheet
Envelopes	25p each
Postage	Actual cost

Travel

Mileage incurred as a result of any necessary travelling is charged to the estate at the Inland Revenue approved rate, currently 45p per mile.

Dated: 11 August 2004

S P BELL LIMITED (IN ADMINISTRATION)

APPENDIX D

A creditors' 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 and explains the basis on which fees are fixed.

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 attend before it and provide information about the exercise of his functions.

4 Fixing the administrator's fees

- 4.1** The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed either:

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

It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed and, if it is fixed as a percentage fix the percentage to be applied. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters:

- 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, the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as the committee would. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator.

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 a resolution of the creditors shall be taken as passed if, and only if, passed with 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.

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 What information should be provided by the administrator?

5.1 When seeking fee approval

5.1.1 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.

5.1.2 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.

5.1.3 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:

- Any significant aspects of the case, particularly those that affect the amount of time spent.
- The reasons for subsequent changes 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 sub-contractors, 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.

- 5.1.4 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.

5.2 After fee 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. 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 5.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 5.1.4 above regarding work which has been sub-contracted out.

5.3 Expenses and disbursements

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements. However, 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.

6 What if a creditor is dissatisfied?

- 6.1** If a creditor believes that the administrator's remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the court for an order that it be reduced. 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. Unless the court orders otherwise, the costs must be paid by the applicant and not as an expense of the administration.

7 What if the administrator is dissatisfied?

- 7.1** If the administrator considers that the remuneration fixed by the creditors' committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient, he may apply to the court for it to be increased. 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.

8 Other matters relating to fees

- 8.1** 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.
- 8.2** 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.