

Rule 1 26/1.54

The Insolvency Act 1986

Notice to Registrar of Companies of
Supervisor's Progress Report**R.1.26A(4)(a)/
R.1.54****Pursuant to Rule 1 26A(4)(a) or
Rule 1 54 of the Insolvency Rules
1986**

To the Registrar of Companies

For Official Use

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Company Number

03633458

(a) Insert full name of

Name of Company

LCE Architects Limited

(b) Insert full name and
Address

I/We John Walters
9315
Begbies Traynor (Central) LLP
2/3 Pavilion Buildings
Brighton
East Sussex
BN1 1EE

Jonathan James Beard
9552
Begbies Traynor (Central) LLP
2/3 Pavilion Buildings
Brighton
East Sussex
BN1 1EE

(c) Insert date

supervisors of a voluntary arrangement taking effect on

(c) 18 April 2012,

Attach our progress report for the period
from

(c) 18 April 2013

to

(c) 17 April 2014

Number of continuation sheets (if any) attached 0

Signed



Date 11 June 2014

Presenter's name, address
and reference

LC002
Begbies Traynor (Central) LLP
2/3 Pavilion Buildings
Brighton
East Sussex
BN1 1EE

For Official Use

Liquidation Section

Post Room

SATURDAY



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14/06/2014

#226

COMPANIES HOUSE

BRIGHTON COUNTY COURT
No. 257 of 2012

John Walters and Jonathan James Beard appointed joint
supervisors on 18 April 2012

LCE Architects Limited (Company Voluntary Arrangement)

Joint Supervisors' Progress Report pursuant to
Rule 1.26A of The Insolvency Rules 1986

Period: 18 April 2013 to 17 April 2014

Important Notice

This progress report has been produced by the supervisors solely to comply with their statutory duty to report to creditors on the progress of the Voluntary Arrangement. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	LCE Architects Limited (Under a Voluntary Arrangement)
"Holdings"	LCE (Holdings) Limited (company registration number 07468909)
"UK"	LCE Architects (UK) Ltd (company registration number 07491229)
"the Supervisors"	John Walters of Begbies Traynor (Central) LLP, 2/3 Pavilion Buildings, Brighton, East Sussex, BN1 1EE and Jonathan James Beard of Begbies Traynor (Central) LLP, 2/3 Pavillion Buildings, Brighton, East Sussex, BN1 1EE
"the Arrangement"	The terms of the Proposal, Standard Conditions and any modifications (and/or variations) agreed by the Company's creditors
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)

2. RELEVANT INFORMATION

Name of Company	LCE Architects Limited
Trading name(s)	None
Date of Incorporation	17/09/1998
Company registered number	03633458
Company registered office	97 Church Street, Brighton, East Sussex, BN1 1UJ
Commencement date of the Arrangement	18 April 2012
Duration of the Arrangement	63 months, or such shorter time as may be necessary to pay all Arrangement creditors' claims 100p in the pound, excluding interest

Main provisions of the Arrangement	<p>Holdings and UK to pay 50% of their net profits after taxation into the Arrangement for a period of 60 months, subject to minimum quarterly contributions of £25,000</p> <p>All receipts of "the Libyan book debts" (as defined in the directors' statement of proposals) to be paid to the supervisors upon receipt for distribution to Arrangement creditors</p>
Variations to the Arrangement since approval	No variations to the Arrangement have been proposed by the directors since approval
Dividend(s) paid to creditors	No dividends have yet been paid to creditors
Anticipated further dividends	<p>The following dividend estimates are based upon the £25,000 minimum quarterly contributions alone and do not take into account any additional net profit contributions or realisation of the Libyan book debts</p> <p>The dividend estimates are also subject to the agreement of creditors' claims and, as such, should not be relied upon as a definitive estimate of the quantum and timing of dividends in this matter</p> <ul style="list-style-type: none"> • Within 2 months of the 2nd anniversary of the commencement of the arrangement c 24 6p in the pound to unconnected unsecured creditors • Within 2 months of the 3rd anniversary of the commencement of the arrangement c 27 2p in the pound to unconnected unsecured creditors • Within 2 months of the 4th anniversary of the commencement of the arrangement c 27 2p in the pound to unconnected unsecured creditors • Within 2 months of the 5th anniversary of the commencement of the arrangement c 21p in the pound to unconnected unsecured creditors and c 4p in the pound to connected unsecured creditors

3. INTRODUCTION

- 3 1 Pursuant to Rule 1 26A(6) of the Rules, the Supervisors are required to send the Company, its creditors (bound by the Arrangement) and its members an abstract of receipts and payments which shows all receipts and payments of money whilst the Supervisors have been acting as supervisors of the Arrangement
- 3 2 In addition to accounting for the receipts and payments, Rule 1 26A requires the Supervisors to report on the progress of the Arrangement and the prospects for its full implementation
- 3 3 This is the Supervisors' second annual report, which should be read in conjunction with the first annual report and the Proposal of the directors and accompanying documents approved at the meeting of creditors

4. ABSTRACT OF RECEIPTS AND PAYMENTS

Please find at Appendix 1 an abstract which shows the receipts and payments during the period of this report

5. PROGRESS DURING THE PERIOD OF THIS REPORT

- 5.1 Please find below extracts from the directors' proposals which provides the basis of the terms of the arrangement

Assets to be excluded from CVA

The Company's office equipment and fixtures and fittings will be sold to UK and Holdings at full market value to allow them to trade and to make contributions into the arrangement. The Company's United Kingdom book debt ledger will also be sold to UK and Holdings for the same purpose.

The sale consideration will be paid jointly by Holdings and UK over five years in the form of contributions into the arrangement. To support the purchase, a valuation of the Company's assets and a formal sale contract will be drawn up upon the appointment of Supervisors. Any contributions paid into the arrangement in excess of the Supervisors' valuation will be third party contributions.

Basis of CVA

For all purposes other than the collection of the Libyan book debt ledger the Company will cease to trade. It is proposed that upon creditors' agreement to the arrangement all contracts and work in progress will be assigned to Holdings or UK as appropriate. The value of the contracts and work in progress to be assigned will be determined upon the appointment of Supervisors. It is then proposed that Holdings and UK pays consideration for all assets purchased in the form of contributions into the arrangement, allowing a dividend to be paid to unsecured creditors in excess of that which would realistically be available if the Company were to be wound up.

The contributions/sale consideration to be jointly paid by Holdings and UK will be 50% of their net profits after taxation. Holdings and UK will make quarterly minimum contributions of £25,000 into the CVA for 60 months of the arrangement or until creditors are paid 100p in the £ excluding interest, if earlier. Additional payments will be made to bring contributions up to 50% of net profits. Any additional payments over the minimum quarterly contribution will be based on annual accounts made up to 30 April each year submitted to the Supervisors within 3 months.

It is envisaged that UK and Holdings will make contributions into the arrangement in excess of the value of the assets purchased from the Company. As no formal valuation has taken place to date it is considered appropriate that the Supervisor, upon acceptance of the arrangement, will arrange for a valuation of the Company's assets to be carried out. In the unlikely event that it is determined that the total contributions into the arrangement are less than the valuation of the Company's assets then the Supervisor will review the proposal and will consider proposing modifications as necessary to bring contributions/sale consideration in line with the valuation.

A first contribution of £10,000 will be paid jointly by Holdings and UK upon acceptance of the arrangement to allow the Supervisors funds to arrange for a valuation of the Company's assets to be carried out, a sale contract to be drawn up and, should it become necessary, to canvas creditors and wind up the Company should it not comply with the terms of its arrangement.

The minimum quarterly contributions/sale consideration to the arrangement will be £25,000 for 60 months.

The arrangement will allow the directors to pursue the Libyan book debts and any monies received will be paid to the Supervisors directly upon receipt for distribution to the arrangement creditors.

On the basis that 75% of the Libyan book debts are recovered it is anticipated that unsecured arrangement creditors will receive a total dividend of 100p in the £, excluding interest.

- 5.2 Set out below are details of the progress that has been made during the period of this report

Contributions

As you will recall from my letter of 31 January 2014, in order to assist with Holdings' and UK's cash flow, and as agreed by us as the Supervisors, the directors paid two of the required quarterly contributions in monthly instalments in the form of one payment of £5,000 and two payments of

£10,000 Then, also as outlined in my letter of 31 January 2014, the directors increased those monthly contributions to £10,000 per month We have received three of these £10,000 monthly contributions during the period The below table details all contributions received during the period

Date	Contribution Received (£)
17/07/2013	5,000
02/09/2013	10,000
30/09/2013	10,000
31/10/2013	5,000
29/11/2013	10,000
31/12/2013	10,000
23/01/2014	10,000
27/02/2014	10,000
31/03/2014	10,000
Total	80,000

As you will note from the attached receipts and payments account, total contribution since the commencement of the Arrangement, to 17 April 2014 stand at £190,000

Deposit Interest

Deposit interest in the sum of £67 68 has accrued during the period to which this report relates

Office Holders' Fees

The sum of £27,857 has been drawn during the period in relation to our time costs for the two years since our appointment Further information in relation to our remuneration is detailed in Section 8 below Considerable time has been spent in excess of that which was envisaged at the outset of the Arrangement in

- obtaining the Company's bankers' agreement to release its security over the Company's assets,
- finalising the relevant sale documentation in relation to the sale of the Company's assets to Holdings and UK,
- holding various meetings with the directors and the solicitors in relation to the above, and
- Meeting with the directors and the solicitors to discuss the progress of the Arrangement

The remainder of our time costs have been incurred in complying with our statutory and best practice duties as Supervisors

Legal Fees

Legal fees in the sum of £12,388 50 have been paid during the period The legal fees have been incurred in

- advising us in relation to the terms of the Arrangement,
- advising us in relation to the release of the bank's security,
- attending meetings with us, the directors, the bank and the Company's accountants as required,
- acting in connection with the sale of the Company's assets to Holdings and UK, and
- preparing all necessary documentation in relation to the above, including drafting deeds of release

Sundry Expenses/Disbursements

The sum of £26 21 has been discharged during the period in relation to postage

6. PROSPECTS FOR FULL IMPLEMENTATION OF THE ARRANGEMENT

At this time the Supervisors have no reason to believe that the arrangement cannot be fully implemented

7 ESTIMATED OUTCOME FOR CREDITORS

- 7.1 The total amount owed to each class of creditor at the commencement of the Arrangement was as follows

Secured Creditor

	£
<u>National Westminster Bank plc</u>	
Enterprise Finance Guarantee Loan	116,667
Business Banking Facility	74,716

Preferential creditors

	£
Employees wage claim	Nil
Employees holiday claim	Nil

Unsecured Creditors

	£
Trade and Expense Creditors	156,363
H M Revenue & Customs – VAT	89,860
H M Revenue & Customs – PAYE/NIC	100,817
Loan from connected party ¹	250,000
Directors' Loan Accounts ¹	295,000

¹Connected Party/Parties

- 7.2 To date, no agreement of creditors' claims has taken place and consequently the above figures are subject to change

- 7.3 On the basis that

- Holdings and UK jointly continue to pay the minimum contribution of £25,000 per quarter for the duration of the agreement as defined in the proposals, and
- The Supervisors determine that no further contributions are required from Holdings and UK to bring total contributions up to 50% of their net profits after taxation, and
- No valid claims are received by the Supervisors which are materially different from those detailed in the directors' proposals, and
- 75% of the Libyan book debts are collected,

then the Supervisors estimate that all unsecured creditors will receive total dividends representing 100p in the pound against their claims, excluding interest. If no recovery is made in respect of the Libyan book debts then it is expected that unsecured unconnected creditors will receive total dividends representing 100p in the pound against their claims, excluding interest, and unsecured connected creditors will receive a very modest dividend against their claims.

- 7.4 The Supervisors are hopeful that they will be in a position to pay a first and interim dividend to unsecured unconnected creditors shortly after the deadline for submission of claims which is detailed on the enclosed Notice of Intended Dividend

8. JOINT SUPERVISOR'S REMUNERATION & DISBURSEMENTS

The Supervisors' remuneration has been fixed by reference to the time properly given by them (as Supervisors) and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters arising in the Arrangement and they are authorised to draw disbursements, including disbursements for services provided by their firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with their firm's policy, details of which are attached at Appendix 2 of this report

The Supervisors' time costs for the period from 18 April 2013 to 17 April 2014 amount to £12,296.00 which represents 57.5 hours at an average rate of £213.84 per hour. An analysis of time costs incurred in this period and prepared in accordance with Statement of Insolvency Practice 9 is attached at Appendix 2 showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type. It is intended that the Time Costs Analysis and the information contained in this report will provide sufficient information to enable the body responsible for the approval of the Supervisors' fees to consider the level of those fees in the context of the case.

Total time spent to 17 April 2014 on this assignment amounts to 128.7 hours at an average composite rate of £242.72 per hour resulting in total time costs to 17 April 2014 of £31,237.50

The following further information in relation to the Supervisors' time costs and disbursements is set out at Appendix 2

- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates
- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period from 18 April 2013 to 17 April 2014
- ☐ Cumulative table of time spent and charge-out value for the period from 18 April 2012 to 17 April 2014

Remuneration in the sum of £27,857 has been drawn by the Supervisors during the period from 18 April 2013 to 17 April 2014. The Supervisors have drawn Category 1 disbursements in the sum of £26.21 plus VAT during the same period.

- 8.1 No Category 2 disbursements have been drawn in this case during the period
- 8.2 A copy of 'Voluntary Arrangements – A Creditors' Guide to Insolvency Practitioners' Fees' which provides guidance on creditors' rights can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact this office to request that a copy is sent to you.

9. OTHER RELEVANT INFORMATION

During the forthcoming period the Supervisors intend to

- Agree creditors' claims
- Issue an appropriate dividend to unsecured, unconnected creditors
- Monitor the ongoing minimum quarterly contributions from Holdings and UK
- Ensure that any monies in relation to the Libyan book debts are forwarded to the Supervisors immediately upon receipt

10. CONCLUSION

The Supervisors will report again in approximately 1 year's time or at the conclusion of the Arrangement, whichever is the sooner



J Walters
Joint Supervisor

Dated 11 June 2014

LCE Architects Limited
(Under a Voluntary Arrangement)

Summary of Receipts & Payments

RECEIPTS	Statement of Affairs (£)	From 18/04/2012 To 17/04/2013 (£)	From 18/04/2013 To 17/04/2014 (£)	Total (£)
Debtor Contributions		110,000 00	80,000 00	190,000 00
Bank Interest Gross		14 49	67 68	82 17
		110,014 49	80,067 68	190,082 17
PAYMENTS				
Chargeholder (1)		75,000 00	0 00	75,000 00
Specific Bond		775 00	0 00	775 00
Office Holders Fees		0 00	27,857 00	27,857 00
Agents/Valuers Fees		1,058 40	0 00	1,058 40
Legal Fees		0 00	12,388 50	12,388 50
Other Professional Fees		1,637 00	0 00	1,637 00
Sundry Expenses/Disbursements		411 30	26 21	437 51
Bank Charges		30 00	0 00	30 00
		78,911 70	40,271 71	119,183 41
Net Receipts/(Payments)		31,102 79	39,795 97	70,898 76
MADE UP AS FOLLOWS				
Bank 1 Current		30,406 61	37,477 17	67,883 78
VAT Receivable / (Payable)		696 18	2,318 80	3,014 98
		31,102 79	39,795 97	70,898 76

JOINT SUPERVISORS' TIME COSTS AND EXPENSES

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Narrative summary of time costs incurred, and
- d Table of time spent and charge-out value for the period from 18 April 2013 to 17 April 2014
- e Cumulative table of time spent and charge-out value for the period from 18 April 2012 to 17 April 2014

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

Where the office holder's remuneration is proposed to be fixed on an additional or alternative basis, sufficient information will be provided to creditors in order to allow them to consider whether to approve the proposed basis or bases of the office holder's remuneration. Following approval further information will be provided to creditors regarding the office holder's fees as required by the legislation and best practice guidance.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear in Appendix 3.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed in Appendix 3. This is only applicable to those cases where the office holder is remunerated on a time costs basis.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- ☐ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ☐ *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval)

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting,
- Car mileage is charged at the rate of 45 pence per mile,
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates,

- Displaying properties for sale on the 'Accelerated Property Sales from Begbies Traynor' section of the Begbies Traynor website is charged at the rate of £75 00 per property

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Brighton office as at the date of this report are as follows

	Standard
	1 May 2011 –
	until further notice
	Regional
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME LCE Architects Limited

CASE TYPE COMPANY VOLUNTARY ARRANGEMENT

OFFICE HOLDERS John Walters and Jonathan James Beard

DATE OF APPOINTMENT 18 April 2012

1 CASE OVERVIEW

1.1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case

1.2 Complexity of the case

The Supervisors have had two meetings with the directors during the period to which this report relates to discuss the progress of the Arrangement and the likelihood of full implementation. The remainder of this office's time spent on this matter has largely been incurred in complying with the duties and requirements of the Supervisors and carrying out the administrative tasks required during an ongoing voluntary arrangement.

1.3 Exceptional responsibilities

No exceptional responsibilities have been encountered in this case to date.

1.4 The office holders' effectiveness

The Supervisors believe that they have achieved what they set out to achieve during the second year of the arrangement by

- monitoring Holdings' and UK's minimum quarterly contributions, and
- attending meetings with the directors as and when required

1.5 Nature and value of property dealt with by the office holders'

Nature of Property	Value of Property (£)
Contributions/Sale consideration	190,000.00
Deposit Interest	82.17

1.6 Anticipated return to creditors

On the basis that

- Holdings and UK jointly continue to pay the minimum contribution of £25,000 per quarter for the duration of the agreement as defined in the proposals, and
- The Supervisors determine that no further contributions are required from Holdings and UK to bring total contributions up to 50% of their net profits after taxation, and
- No valid claims are received by the Supervisors which are materially different from those detailed in the directors' proposals, and
- 75% of the Libyan book debts are collected,

then the Supervisors estimate that all unsecured creditors will receive total dividends representing 100p in the pound against their claims, excluding interest. If no recovery is made in respect of the Libyan book debts then it is expected that unsecured unconnected creditors will receive total dividends representing 100p in the pound against their claims, excluding interest, and unsecured connected creditors will receive a very modest dividend against their claims.

1 7 Time costs analysis

An analysis of time costs incurred between 18 April 2013 and 17 April 2014 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type

The Supervisors are of the opinion that they have dealt with all matters arising in the arrangement to date effectively and at least cost to arrangement funds

The time costs analysis provides details of work undertaken by the office holders and their staff following their appointment only

1 8 Work undertaken prior to appointment

In addition to the post appointment time costs detailed, the costs relating to work undertaken by the Nominees prior to approval of the voluntary arrangement were approved by the creditors at the creditors' meeting

1 9 The views of the creditors

Creditors were entitled to vote on the acceptance, acceptance with modifications or rejection of the directors' proposals at a meeting of creditors held at The Grosvenor Hotel, 101 Buckingham Palace Road, London, SW1W 0SJ on 18 April 2012 at 10 00am. The proposed voluntary arrangement was approved subject to the modifications proposed by the Voluntary Arrangement Service (VAS) on behalf of H M Revenue Customs

1 10 Approval of fees

The Supervisors' remuneration has been fixed by reference to the time properly given by them (as Supervisors) and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP

1 11 Approval of Expenses and Disbursements

The Supervisors are authorised to draw disbursements, including disbursements for services provided by their firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with their firm's policy, details of which are attached at Appendix 2 of this report

1 12 Category 2 Disbursements

No Category 2 Disbursements have been charged in this case during the period

1 13 Other professionals employed & their costs

Independent agents and valuers John M. Peyto & Co. Limited ("JMPCL") were instructed to inspect, inventory and photograph the Company's chattel assets and prepare a report and valuation of the same. JMPCL's fee for the above was £1,058.40 plus VAT

Wilson Sandford & Co Chartered Accountants ("WSCCA") were instructed to assist in preparing a valuation of the Company's tangible and intangible assets and various other accounting matters. WSCCA submitted an invoice on a time cost basis in the sum of £1,512 plus VAT which was discharged from funds held by the Supervisors

Pelstar Computing Limited provide an individual software licence on a case by case basis for use of their bespoke insolvency administration system by this office. The cost of the licence is £125 plus VAT. This sum was discharged from funds held

Julian Dobson Solicitors were instructed by the Supervisors to assist in all legal matters arising during the arrangement, including the drawing up of sale and assignment documentation and negotiations with NatWest regarding the release of its security over the Company's assets and its consent to an assignment of the Company's leasehold premises. To date Julian Dobson Solicitors have been paid the sum of £12,388.50

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

- 2 1 Begbies Traynor's policy for charging fees and expenses incurred by office holders is attached at Appendix 2
- 2 2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 2

3 SUMMARY OF WORK CARRIED OUT SINCE THE SUPERVISORS' LAST REPORT TO CREDITORS

- 3 1 Between 18 April 2013 and 17 April 2014 the following work has been carried out
- Preparing and issuing our last progress report to creditors
 - Meeting with the directors to discuss the progress of the Arrangement
 - Monitoring contributions into the Arrangement
 - Meeting with the directors again to discuss the progress of the Arrangement
 - Preparing an update letter to creditors, which was issued on 31 January 2014
 - Dealing with creditors' telephone calls and correspondence

Average hourly rate £	395 00	135 00	60 00	213 84
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