

The Insolvency Act 1986

## Administrator's progress report

2.24B

Name of Company GENESIS (UK) LIMITED	Company number 03805650
In the High Court of Justice <small>[full name of court]</small>	Court case number 9779 of 2008

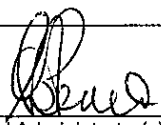
(a) Insert full name(s)  
and address(es) of  
administrator(s)

I/We (a) M C Healy & N A Bennett of Leonard Curtis, One Great Cumberland Place,  
Marble Arch, London W1H 7LW

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

	from	to
(b) Insert dates	(b) 14 November 2008	(b) 13 May 2009

Signed

  
Joint / Administrator(s)

Dated

10 June 2009

## 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 is available to searchers of the

Leonard Curtis	
One Great Cumberland Place, Marble Arch, London W1H 7LW	
Ref: MP/25	Tel: 020 7535 7000
DX Number	DX Exchange

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



A31

\*A96G8ANA\*  
12/06/2009  
COMPANIES HOUSE

334



**LEONARD CURTIS**  
business rescue & recovery

**Appian Technology Plc**

Registered Number: 04020918

**Genesis (UK) Limited**

Registered Number: 03805650

**(Both in Administration)**

**Administrators' Progress Report  
for the period from 14 November 2008 to 13 May 2009**

**10 June 2009**

**Leonard Curtis**

**One Great Cumberland Place, Marble Arch, London W1H 7LW**

**Tel : 020 7535 7000 Fax: 020 7723 6059**

**solutions@leonardcurtis.co.uk**

**Ref: LJ18/MP/SAPP02/SGEN04/1010**



## CONTENTS

- 1 Statutory Information
- 2 Purpose of Administrations
- 3 Steps taken during the Administrations and progress since the Administrators' last report
- 4 Further assets to be realised
- 5 Administrators' Remuneration and Disbursements
- 6 Other relevant information

## APPENDICES

- A Summaries of Administrators' Receipts and Payments for the period from 14 November 2008 to 13 May 2009
  - (i) Appian Technology Plc
  - (ii) Genesis (UK) Limited
- B Summaries of Administrators' Time Costs for the period from 14 November 2008 to 13 May 2009
  - (i) Appian Technology Plc
  - (ii) Genesis (UK) Limited
- C Summaries of Leonard Curtis Pre-Appointment Time Costs for the period from 1 November 2008 to 14 November 2008
  - (i) Appian Technology Plc
  - (ii) Genesis (UK) Limited
- D Leonard Curtis Charge out Rates and Policy regarding Staff Allocation, Support Staff, the use of Subcontractors and the Recharge of Disbursements

To: ALL CREDITORS, THE COURT AND THE REGISTRAR OF COMPANIES

## 1. STATUTORY INFORMATION

- 1.1 I was appointed Joint Administrator of Appian Technology Plc ("Appian") and Genesis (UK) Limited ("Genesis") together with M C Healy on 14 November 2008. We are both licensed by the Insolvency Practitioners Association. The appointment of Joint Administrators ("Administrators") was made by Mr Patrick Ryan a director of both Companies.
- 1.2 The Administrations are being handled by Leonard Curtis, situated at One Great Cumberland Place, Marble Arch, London W1H 7LW.
- 1.3 The Administration proceedings are under the jurisdiction of the High Court of Justice under Court reference numbers 9780 of 2008 (Appian) and 9779 of 2008 (Genesis).
- 1.4 The Companies traded from Appian House, Unit 4 Wessex Road, Bourne End, Buckinghamshire, SL8 5DT, which was also the Companies' registered offices. This was changed to One Great Cumberland Place, Marble Arch, London W1H 7LW following the appointment of Administrators.
- 1.5 Both operated in the security sector, as providers of mobile and static vehicle licence plate recognition hardware and software to Police Forces in England and Wales as well as private enterprises including car parks. Genesis traded as a competitor until it was acquired by Appian in 2006.
- 1.6 The registered numbers are 04020918 (Appian) and 03805650 (Genesis).
- 1.7 In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the function of the Administrators may be exercised by either or both, acting jointly or alone. There have been no changes in office-holder.
- 1.8 On 15 January 2009 the Administrators sent a statement of proposals to all creditors of the Companies. A meeting of creditors was held on 2 February 2009 where the proposals were approved. There have been no major amendments to, or deviations from, those proposals.

## 2. PURPOSE OF ADMINISTRATIONS

- 2.1 As advised in my report dated 15 January 2009, the Administrators must in each case perform their functions with the purpose of achieving one of the following objectives:
  - (a) rescuing the Company as a going concern, or (if this cannot be achieved)
  - (b) achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration), or (if (a) and (b) cannot be achieved
  - (c) realising property in order to make a distribution to one or more secured or preferential creditors.



- 2.2 In my opinion, it was not possible to achieve the first objective without substantial funding. The directors were unsuccessful in their attempts to raise further capital from existing shareholders, new investors or a purchaser as the escalation of a dispute with the Companies' sole camera supplier resulted in supplies being suspended and in October 2008 a statutory demand was issued against Appian for arrears in excess of £100,000. At the end of October 2008 the Companies appointed an associated company of this firm, Corporate Strategies, with a view to entering negotiations with HM Revenue & Customs before submitting a formal proposal to repay the PAYE liability. However, due to the level of debt owing and its adverse trading position, agreement of a realistic payment plan was not considered feasible.
- 2.3 In my opinion the sale of assets has led to a better result than would have been the case in a winding-up and therefore, in my opinion it is possible to achieve the second objective as it is likely there will be funds available for distribution to ordinary unsecured creditors.
- 2.4 The third objective, namely realising property to make a distribution to one or more secured or preferential creditors, has been achieved as the secured creditors have been repaid in full. Preferential claims will also be paid in full.

### **3. STEPS TAKEN DURING THE ADMINISTRATIONS**

- 3.1 This report should be read in conjunction with the Administrators' previous report dated 15 January 2009.

#### **3.2 Sale of Business**

As previously reported a sale of the business, goodwill and certain assets of the Companies was completed on 28 November 2008. The purchaser was MN Nova (30) Limited, a non connected party. The total sale price was £465,000 which has been received in full.

#### **3.3 Debtors**

- 3.3.1 Debtors were excluded from the sale and agents have been instructed to manage collection of the outstanding balances.
- 3.3.2 The Appian debtors were subject to an invoice finance agreement with Lloyds TSB Commercial Finance Limited ("LTSBCF") who were owed £42,085 at the time of our appointment. LTSBCF have now been repaid in full and the remaining ledger has been reassigned to the Company. After providing for known bad debts, amounts paid prior to our appointment and a provision for further bad debts my debt collection agents, Largo Legal & Receivables ("Largo"), are pursuing balances of some £102,000. Since my last report a further £7,768 has been received and is currently held by Largo. I am unable to say how much more will be realised.
- 3.3.3 The Genesis debtors were subject to an invoice finance agreement with Barclays Bank PLC ("Barclays") who were owed £143,645 at the time of our appointment. Barclays have been repaid in full and the remaining ledger has been reassigned to the Company. Since my last report, £49,301 has been received. Sovereign Credit Management Limited are pursuing balances of some £391,000. A number of debtors are claiming to have paid prior to our appointment and there are other accounts in dispute which are being reviewed. I am unable to say how much more will be realised.



### 3.4 Investments

- 3.4.1 Genesis held investments in a number of non-connected companies registered in Malta. These shares have been sold for £10,256. The consideration took into account that the sale of the shares was restricted as they had to be offered to the existing shareholders first and that they had to settle the outstanding balance owed to a leasing company to purchase plant installed in Malta. An alternative offer was received from a third party which was considerably less than the amount offered by the existing shareholders.
- 3.4.2 Appian holds an investment in an American Company, Platescan, INC. Again there is a restriction on the sale of these shares and it is not expected that any material recovery if any will be made. I will apprise creditors of developments in future reports.

### 3.5 Secured Creditors

#### 3.5.1 LTSBCF

LTSBCF hold a debenture, dated 16 December 2004, incorporating both fixed and floating charges, over the assets and undertaking of Appian. At the time of our appointment they were owed £42,085. This amount was reduced as debt collections were made during the Administration and the residual balance of £13,510 was repaid from fixed charge proceeds following the sale of the assets. A further £7,329 has also been repaid to LTSBCF in respect of a finance agreement subject to their fixed charge.

#### 3.5.2 National Westminster Bank Plc ("NatWest")

A first debenture was granted by Genesis in favour of NatWest on 2 October 2000. As at the date of our appointment NatWest was owed £20,680. This amount was repaid in full following the sale of the business and assets.

#### 3.5.3 Barclays

Barclays hold a second debenture dated 21 May 2001 in respect of Genesis and were owed £143,645 at the date of our appointment and have been repaid in full.

### 3.6 Prescribed Part

- 3.6.1 The floating charge dated 16 December 2004 in favour of LTSBCF post dates the introduction of the Enterprise Act 2002. However they have been repaid in full from fixed charge realisations. As a result the provision of Section 176(A) of the Insolvency Act 1986 and the Insolvency Act 1986 (prescribed part) Order 2003 will not apply in respect of Appian.
- 3.6.2 As the outstanding charges against Genesis pre-date the introduction of the Enterprise Act 2002 there will not be a prescribed part of assets set aside for ordinary unsecured creditors.

### 3.7 Preferential Claims

The only preferential claims are those for employees in respect of wages and holiday pay and will be repaid in full.



**3.8 Unsecured Claims**

All unsecured claims will be subject to agreement by a subsequently appointed Liquidator in due course.

3.9 I have complied with my statutory obligations under the Directors Disqualification Act 1986 and reports have been submitted to the appropriate authority.

3.10 Receipts and payments accounts for the period of the Administrations are enclosed as Appendices A (i) and (ii).

**4 FURTHER ASSETS TO BE REALISED**

4.1 As mentioned above.

**5 ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS**

5.1 In accordance with the resolution passed at the meeting of creditors held on 2 February 2009, the Administrators' remuneration is fixed and payable by reference to the time properly given by the Administrators and their staff in attending to matters arising in each Administration.

5.2 The Administrators' time costs as at 13 May 2009 are attached at Appendix B (i) and (ii). This provides details of the costs incurred by staff grade for the Administrations. Time on Appian is £78,020 representing 321.7 hours at an average rate of £242.52 per hour. To date we have drawn £65,585 on account of these time costs. Time on Genesis is £70,242.50 representing 243.9 hours at an average rate of £288.00 per hour. To date we have drawn £60,722.50 on account of these time costs. The balance of the Administrators' fees will be paid shortly.

5.3 A substantial amount of time has been spent by my staff to ensure that the various assets are realised. In respect of Appian, time costs for this area alone total £36,397.50 which represents 128.7 hours at an average hourly rate of £282.81. In respect of Genesis, time costs in this area total £48,830.00 which represents 149.2 hours at an average hourly rate of £327.28. This time has been spent agreeing the sale of the businesses and assets and liaising with professional advisers, realising investments and managing the debt collections. Further costs have been incurred dealing with the Companies liabilities, including ongoing employee issues, agreeing and preparing to pay preferential claims, communicating with unsecured creditors and reporting to secured creditors.

5.4 In addition to the above, my company also incurred costs in connection with the costs and expenses of giving notices of intention to appoint administrators and the making the Administrators' appointments. These costs are detailed at Appendix C (i) and (ii) and total £4,040 for Appian, representing 14.6 hours at an average hourly rate of £276.71. For Genesis these costs total £3,790 represented by 12.1 hours at an average hourly rate of £313.22. These costs have been paid as expenses of the Administrations pursuant to the provisions of Rule 2.67 of the Insolvency Rules 1986.



5.5 During the administrations I have used the following professionals, including subcontractors:

Name of Professional Advisor	Service Provided	Basis of Fees
Charles Russell LLP	Legal Advice	Time Costs
Wyles Hardy & Co Limited	Valuation Advice	Time Costs
Nyman Libson Paul	Sales Process	Time Costs
Sovereign Credit Management Limited	Debt Collection	Percentage Basis
Largo Legal & Receivables	Debt Collection	Percentage Basis
ERA Solutions Limited	ERA Services	Time Costs
Pelstar Computing Limited	Data Capture	Time Costs

5.6 Details of my company's charge out rates and policy regarding the recharge of disbursements, staff allocation, support staff and the use of professionals and subcontractors are also attached at Appendix D.

## 6 OTHER RELEVANT INFORMATION

6.1 The automatic deadline for the Administrations to end is 13 November 2009. I expect there to be sufficient monies available to enable dividends to be declared to ordinary unsecured creditors after the costs of Administrations have been paid. I therefore intend to give Notice to the Registrar of Companies to move the Companies from Administration to Creditors Voluntary Liquidation.

6.2 Following these notices the appointment of the Administrators will cease to have effect and the appointment of a Liquidator will become effective. In accordance with the Administrators' proposals approved by creditors on 2 February 2009, I will become Liquidator of both Companies.

6.3 If however there are insufficient monies available to declare a dividend to ordinary unsecured creditors after the costs of Administration have been paid in either Appian or Genesis I intend to give notice to the registrar of Companies to move the Company from Administration directly to dissolution.

6.4 It is important that you give careful attention to this report and its Appendices.

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

Yours faithfully  
for and on behalf of  
**APPIAN TECHNOLOGY PLC**  
**GENESIS (UK) LIMITED**

**N A BENNETT**  
Joint Administrator

Licensed by the Insolvency Practitioners Association

The affairs, business and property of the Companies are being managed by the Administrators, who acts as agent of the Companies without personal liability





## APPENDIX A (i)

**Summary of Administrators' Receipts and Payments  
for the period from 14 November 2008 to 13 May 2009**

	Fixed £	Floating £	£
<b>RECEIPTS</b>			
Goodwill	1.00	-	1.00
Intellectual Property	126,000.00	-	126,000.00
Stock	-	119,000.00	119,000.00
Motor Vehicles	-	3,000.00	3,000.00
Plant & Machinery	-	8,994.00	8,994.00
Assumed Contracts	-	5,000.00	5,000.00
Intangibles	-	1.00	1.00
Books and Records	-	1.00	1.00
Balance at Bank	3,749.94	-	3,749.94
Debtors	23,142.91	-	23,142.91
Purchaser's contribution towards PAYE & NI	-	15,572.24	15,572.24
Deposit Interest Net	95.52	118.69	214.21
Deposit Interest Gross	113.15	92.99	206.14
	<u>153,102.52</u>	<u>151,779.92</u>	<u>304,882.44</u>
<b>PAYMENTS</b>			
Agents' Fees and Expenses	6,997.77	-	6,997.77
Legal Fees and Expenses	6,779.26	6,779.26	13,558.52
Other Professional Fees	288.00	13,600.00	13,888.00
Bordereau Fee	-	150.00	150.00
Statutory Advertising	-	672.93	672.93
Insurance	-	278.38	278.38
PAYE & /NI	-	15,572.24	15,572.24
Sundry Expenses/Disbursement	-	307.00	307.00
Leonard Curtis Pre-Appointment Costs	-	3,850.00	3,850.00
Administrators' Remuneration - on account	55,585.00	10,000.00	65,585.00
VAT inputs	11,421.19	6,646.97	18,068.16
	<u>81,071.22</u>	<u>57,856.78</u>	<u>138,928.00</u>
<b>Distributions</b>			
Lloyds TSB Commercial Finance Limited	20,838.53	-	20,838.53
	<u>51,192.77</u>	<u>93,923.14</u>	<u>145,115.91</u>
<b>BALANCE IN HAND</b>			
	<u>51,192.77</u>	<u>93,923.14</u>	<u>145,115.91</u>

Leonard Curtis  
One Great Cumberland Place  
London W1H 7LW

N A Bennett  
M C Healy  
Administrators



## APPENDIX A (ii)

**Summary of Administrators' Receipts and Payments  
for the period from 14 November 2008 to 13 May 2009**

	Fixed £	Floating £	£
<b>RECEIPTS</b>			
Debtors	49,301.11	-	49,301.11
Goodwill	1.00	-	1.00
Intellectual Property	165,000.00	-	165,000.00
Plant and Machinery	-	38,000.00	38,000.00
Investments	10,256.41	-	10,256.41
Books and Records	-	1.00	1.00
Intangibles	-	1.00	1.00
Balance at Bank	-	3,044.06	3,044.06
Deposit Interest Net	1.11	36.76	37.87
Deposit Interest Gross	6.95	19.55	26.50
	<u>224,566.58</u>	<u>41,102.37</u>	<u>265,668.95</u>
<b>PAYMENTS</b>			
Legal Fees and Expenses	6,779.26	7,379.26	14,158.52
Statutory Advertising	-	293.49	293.49
Bordereau Fee	-	100.00	100.00
Other Professional Fees	-	10,420.00	10,420.00
Sundry Expenses/Disbursements	-	678.00	678.00
Leonard Curtis Pre-Appointment Costs	-	3,600.00	3,600.00
Administrators' Remuneration - on account	43,571.46	17,151.04	60,722.50
VAT Inputs	6,535.72	5,196.23	11,731.95
	<u>56,886.44</u>	<u>44,818.02</u>	<u>101,704.46</u>
<b>Distributions</b>			
National Westminster Bank Plc	20,680.16	-	20,680.16
Barclays Bank PLC	143,197.65	-	143,197.65
	<u>163,877.81</u>	<u>0.00</u>	<u>163,877.81</u>
<b>BALANCE IN HAND</b>	<u>3,802.33</u>	<u>(3,715.65)</u>	<u>86.68</u>
<b>Leonard Curtis</b>			<b>N A Bennett</b>
<b>One Great Cumberland Place</b>			<b>M C Healy</b>
<b>London W1H 7LW</b>			<b>Administrators</b>

**Appian Technology Plc**  
(In Administration)

**Summary of Joint Administrators' Time Costs from 14 November 2008 to 13 May 2009**

	Director		Senior Manager		Manager 1		Manager 2		Administrator		Support		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Statutory & Review	90	4,050.00	10	325.00	-	-	25	500.00	15	150.00	-	-	140	5,025.00	358.93
Receipts & Payments	-	-	-	-	-	-	-	-	40	400.00	-	-	40	400.00	100.00
Insurance	-	-	-	-	-	-	-	-	10	100.00	-	-	10	100.00	100.00
Assets	330	14,850.00	65	2,112.50	701	17,525.00	-	-	191	1,910.00	-	-	1,287	36,397.50	282.81
Liabilities	-	-	-	-	116	2,900.00	-	-	180	1,800.00	1	7.50	297	4,707.50	158.50
Landlords	-	-	-	-	-	-	-	-	5	50.00	-	-	5	50.00	100.00
Debenture Holder	90	4,050.00	-	-	-	-	-	-	-	-	-	-	90	4,050.00	450.00
General Administration	50	2,250.00	50	1,625.00	588	14,700.00	-	-	189	1,890.00	-	-	877	20,465.00	233.35
Appointment	-	-	-	-	100	2,500.00	-	-	188	1,880.00	-	-	288	4,380.00	152.08
Post Appointment Creds Meetings	-	-	6	195.00	32	800.00	-	-	110	1,100.00	-	-	148	2,095.00	141.55
Investigations	-	-	-	-	-	-	-	-	35	350.00	-	-	35	350.00	100.00
<b>Total</b>	<b>560</b>	<b>25,200.00</b>	<b>131</b>	<b>4,257.50</b>	<b>1,537</b>	<b>38,425.00</b>	<b>25</b>	<b>500.00</b>	<b>963</b>	<b>9,630.00</b>	<b>1</b>	<b>7.50</b>	<b>3,217</b>	<b>78,020.00</b>	

**Average Hourly Rate (£)**

<u>450.00</u>	<u>325.00</u>	<u>250.00</u>	<u>200.00</u>	<u>100.00</u>	<u>75.00</u>	<u>242.52</u>
---------------	---------------	---------------	---------------	---------------	--------------	---------------

**All Units are 6 minutes**

## Summary of Joint Administrators' Time Costs from 14 November 2008 to 13 May 2009

	Director		Senior Manager		Manager 1		Manager 2		Administrator		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Statutory & Review	90	4,050.00	10	325.00	-	-	-	-	15	150.00	115	4,525.00	393.48
Receipts & Payments	-	-	-	-	-	-	-	-	35	350.00	35	350.00	100.00
Assets	610	27,450.00	30	975.00	779	19,475.00	20	400.00	53	530.00	1,492	48,830.00	327.28
Liabilities	10	450.00	-	-	13	325.00	-	-	61	610.00	84	1,385.00	164.88
Debtenture Holder	40	1,800.00	-	-	43	1,075.00	-	-	8	80.00	91	2,955.00	324.73
General Administration	-	-	60	1,950.00	225	5,625.00	-	-	15	150.00	300	7,725.00	257.50
Appointment	-	-	-	-	73	1,825.00	-	-	157	1,570.00	230	3,395.00	147.61
Post Appointment Creditors Meetings	-	-	7	227.50	-	-	-	-	50	500.00	57	727.50	127.63
Investigations	-	-	-	-	-	-	-	-	35	350.00	35	350.00	100.00
Total	750	33,750.00	107	3,477.50	1,133	28,325.00	20	400.00	429	4,290.00	2,439	70,242.50	
Average Hourly Rate (£)		450.00		325.00		250.00		200.00		100.00		288.00	
All Units are 6 minutes													



APPENDIX C (i)

**Summary of Leonard Curtis' Time Costs  
for the period from 1 November 2008 to 13 November 2008**

	Director		Manager 1		Admin1		Total		Average
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Hourly Rate £
Pre-Appointment	-	-	-	-	19	190.00	19	190.00	100.00
Financial assessment	45	2,025.00	-	-	-	-	45	2,025.00	450.00
Strategy & purpose evaluation	15	675.00	-	-	-	-	15	675.00	450.00
Preparation of documents	-	-	32	800.00	10	100.00	42	900.00	214.29
Court related issues	-	-	-	-	25	250.00	25	250.00	100.00
<b>Total</b>	<b>60</b>	<b>2,700.00</b>	<b>32</b>	<b>800.00</b>	<b>54</b>	<b>540.00</b>	<b>146</b>	<b>4,040.00</b>	
<b>Average Hourly Rate (£)</b>		<u><u>450.00</u></u>		<u><u>250.00</u></u>		<u><u>100.00</u></u>		<u><u>276.71</u></u>	

All Units are 6 minutes



## APPENDIX C (ii)

**Summary of Leonard Curtis' Time Costs**  
**for the period from 1 November 2008 to 13 November 2008**

	Director1		Manager 1		Admin1		Total		Average
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Hourly Rate £
Pre-Appointment	-	-	-	-	19	190.00	19	190.00	100.00
Financial assessment	15	675.00	-	-	-	-	15	675.00	450.00
Strategy & purpose evaluation	45	2,025.00	-	-	-	-	45	2,025.00	450.00
Preparation of documents	-	-	32	800.00	10	100.00	42	900.00	214.29
<hr/>									
Total	60	2,700.00	32	800.00	29	290.00	121	3,790.00	
<hr/>									
Average Hourly Rate (£)		<u>450.00</u>		<u>250.00</u>		<u>100.00</u>		<u>313.22</u>	

All Units are 6 minutes



**CHARGE OUT RATES AND POLICY REGARDING STAFF ALLOCATION, SUPPORT STAFF, THE USE OF SUBCONTRACTORS AND THE RECHARGE OF DISBURSEMENTS**

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

**Charge out Rates**

With effect from 1 January 2005 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

Director	£450
Senior Manager	£325
Manager 1	£250
Manager 2	£200
Manager 3	£175
Administrator	£150
Assistant	£100
Support	£75

**Staff Allocation, Support Staff and the Use of Subcontractors**

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is charged.

Details of any subcontractor(s) used are given in the attached report.

**Professional Advisors**

Details of any professional advisor(s) used are given in the attached report. Unless otherwise indicated the fee arrangement for each will be based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors will be based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

**Disbursements**

Specific expenditure relating to the administration of a particular case is recoverable without approval and is referred to as a "category 1 disbursement". Category 1 disbursements will generally comprise supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses, including car mileage at 40p a mile, incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Where we propose 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, documents storage or communication facilities provided by us) they must be disclosed and be authorised by those responsible for approving the administrators' remuneration. Such expenditure is referred to as a "category 2 disbursement". The following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Room Hire	£100
Storage of office files (6 years)	£85.40 per box