

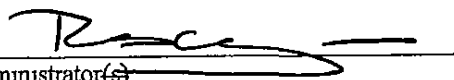
The Insolvency Act 1986

Notice of move from administration to dissolution

(a) Insert name(s) and address(es) of administrator(s)	Name of Company Bonbons Day Nurseries Limited	Company number 04321797
	In the High Court of Justice, Chancery Division, Leeds District Registry [full name of court]	Court case number 1299 of 2014
(b) Insert name and address of registered office of company	I / We (a) <u>Raymond Stuart Claughton</u>	
(c) Insert date of appointment	having been appointed administrator(s) of (b) <u>Bonbons Day Nurseries Limited of Peel House, Taunton Street, Shipley, West Yorkshire, BD18 3NA</u>	
(d) Insert name of applicant / appointor	on (c) <u>19/12/2014</u> by (d) <u>the Directors of the Company</u>	

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

I / We attach a copy of the final progress report

Signed 
Joint/ Administrator(s)

Dated 15th December 2015

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.

Rushtons Insolvency Limited, 3 Merchant's Quay	
Ashley Lane, Shipley, West Yorkshire, BD17 7DB	
	Tel 01274 598585
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



A21 29/12/2015 #197
COMPANIES HOUSE

TUESDAY



3 Merchant's Quay Ashley Lane Shipley West Yorkshire BD17 7DB
T | 01274 598 585 F | 01274 599 474 E | enquiries@rushtonsifs.co.uk
www.rushtonsifs.co.uk

INSOLVENCY & FINANCIAL SOLUTIONS

Our Ref. RSC/SR/AJT

Your Ref

TO THE CREDITORS

E: sarobinson@rushtonsifs.co.uk

Date 15th December 2015

Dear Sir/Madam

**BONBONS DAY NURSERIES LIMITED – IN ADMINISTRATION (“THE COMPANY”)
HIGH COURT OF JUSTICE, CHANCERY DIVISION, LEEDS DISTRICT REGISTRY
NO: 1299 OF 2014**

In accordance with Rule 2.47 and 2.118 of The Insolvency Rules 1986 I enclose a copy of my
Administrator's Final Report

If you require any further information, kindly contact the writer

Yours faithfully

R S Cloughton
Administrator

Enc

**BONBONS DAY NURSERIES LIMITED IN ADMINISTRATION
("THE COMPANY")**

**HIGH COURT OF JUSTICE, CHANCERY DIVISION, LEEDS DISTRICT
REGISTRY NO: 1299 OF 2014**

**PROGRESS REPORT TO CREDITORS PURSUANT TO RULE 2.47 & 2.118
OF THE INSOLVENCY RULES 1986**

**Raymond Stuart Cloughton – Administrator
Rushtons Insolvency Limited
3 Merchant's Quay
Ashley Lane
Shipley
West Yorkshire
BD17 7DB**

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**IN THE MATTER OF BONBONS DAY NURSERIES LIMITED
IN ADMINISTRATION
("THE COMPANY")**

AND

IN THE MATTER OF THE INSOLVENCY ACT 1986

**FINAL PROGRESS REPORT PURSUANT TO RULE 2.47 & 2.118
OF THE INSOLVENCY RULES 1986**

1. STATUTORY INFORMATION

- 1 1 On 19th December 2014 the Directors filed a Notice of Appointment of an Administrator pursuant to paragraph 22 of Schedule B1 of The Insolvency Act 1986. Raymond Stuart Claughton of Rushtons Insolvency Limited, 3 Merchant's Quay, Ashley Lane, Shipley, West Yorkshire, BD17 7DB was appointed as Administrator
- 1 2 The Administration is registered in the High Court of Justice, Chancery Division, Leeds District Registry, under reference number 1299 of 2014
- 1 3 The Administrator (Raymond Stuart Claughton) is licensed to Act as an Insolvency Practitioner as defined in Section 388 of The Insolvency Act 1986
- 1 4 The trading address of the Company was Peel House, Taunton Street, Shipley, West Yorkshire, BD18 3NA The Company also previously traded from James Street, Thornton, Bradford, West Yorkshire, BD13 3NR and Midland Road, Bradford, West Yorkshire, BD9 4HX
- 1 5 The registered office of the Company is 3 Merchant's Quay, Ashley Lane, Shipley, West Yorkshire, BD17 7DB and its registered number is 04321797
- 1 6 The Company Number is 04321797

2. STRATEGY

- 2 1 My Proposal for achieving the purpose of Administration were, deemed approved by Creditors in accordance with my Report issued to Creditors on 10th February 2015
- 2 2 In the lead up to Administration it became apparent that the resale of the Company as a going concern was not an appropriate strategy Redundancies had been made along with other cost cutting exercises and the Company was still loss making It became clear that the core business was viable without two of the onerous leases to service It soon became apparent that in the interest of Creditors as a whole, the preservation of the business and employees, that a pre-packaged sale would achieve the statutory purposes

- 2 3 The objective of the Administration was to preserve part of the Company's business via a pre-packaged sale. This has been achieved. This is our final report on the outcome of the Administration

3. PROGRESS OF THE ADMINISTRATION

- 3 1 The Administration disposed of the majority of the Company's assets in a pre-packaged sale, which took place on 19th December 2014. The sale price was for £15,000 and was apportioned as follows -

the Goodwill and Intellectual Property	£10,000 00
the Equipment	£4,350 00
the Customer Contracts	£1 00
the Name	£500 00
the Stock	£148.00
the Debts	£1 00
	<hr/>
	£15,000 00
	=====

In accordance with the provisions of Statement of Insolvency Practice ("SIP 13") I can confirm that the sale of assets via a pre-packaged sale was sold to Bonbons Nurseries Limited, a Company connected by virtue of a common Director, Sarah Jane Channon. The sum of £15,000 has been received

- 3 2 In accordance with the Company's Statement of Affairs, Form 2 14B, dated the 10th February 2015, a copy of which was circulated to Creditors on 10th February 2015, the Company's assets had an estimated realisable value of £5,000. A valuation of the Company's assets was provided by Michael Steel & Co (Plant & Machinery) Limited on an ex-situ basis in the sum of £850 and an in-situ basis of £7,350. The business and assets of the Company were marketed for sale by Michael Steel & Co (Plant & Machinery) Limited

4. UNREALISED ASSETS

- 4 1 All of the Company's assets have now been realised

5. INVESTIGATIONS

- 5 1 In accordance with the Company Directors Disqualification Act 1986 I have submitted a report on the conduct of the Directors of the Company to The Department for Business Innovation & Skills (BIS). The contents of the report are confidential therefore cannot be disclosed to the Creditors

- 5 2 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by Creditors either at the initial meeting (where held) or as a response to our request for any further information. The investigations have not revealed any issues requiring further report.

6. RECEIPTS AND PAYMENTS

- 6 1 A summary of my Receipts and Payments covering the period 19th June 2015 to 15th December 2015, together with a cumulative total for the entire period of Administration is enclosed at Appendix A.

7. PRE-ADMINISTRATION COSTS

- 7 1 Prior to my appointment Rushtons Insolvency Limited provided advice in relation to the Company's financial position, which included the following -

- Advice to the Directors and Company regarding pre-packaged sales
- The overall review of the business, its ongoing viability and estimated outcome
- The preparation of the documentation that allowed for the Company to be placed into Administration
- Investigations into the potential assets of the Company

- 7 2 The Company's Creditors have agreed the pre-administration costs

- 7 3 The following pre-appointment costs have been discharged during the period covered by this Report

7 3 1 Rushtons Insolvency Limited incurred pre-appointment costs of £5,000 plus VAT, all of which have been discharged. Included within this amount was a payment made to Smith Butler Chartered Certified Accountants of £1,000 plus VAT in respect of assistance provided in relation to the Company's financial position.

7 3 2 Milners Solicitors were instructed to prepare the formal documentation required to appoint the Administrator, assist with any legal advice required and also the preparation of a sale agreement. The sum of £4,000 plus VAT and a court fee of £50 have been paid.

8. POST APPOINTMENT PROFESSIONAL FEES

- 8 1 The Company's Creditors have agreed the pre-administration costs

- 8.2 My time costs for the period 19th December 2014 to 15th December 2015 total £21,428.00. This represents 94 hours and 30 minutes at an average hourly charge out rate of £226.75. Attached at Appendix B is a time analysis, which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by managing the Administration. To date the sum of £2,550.13 plus VAT has been drawn.
- 8.3 A breakdown of the time costs incurred and drawn during the period of this Report related to the following -
- 8.3.1 Liaising with the Company's Employee's who had a claim against the Insolvency Service. The processing of claims became protracted.
 - 8.3.2 Correspondence with the Landlords of the Company's trading premises.
 - 8.3.3 The above is in addition to our statutory duties.
- 8.4 Background information regarding the fees of administrators can be found at www.insolvency-practitioners.org.uk (navigate via 'Regulation and Guidance' to 'Creditors Guide Fees'). Alternatively, I will supply this information by post on request.
- 8.5 Additional post appointment costs are as follows -
- 8.5.1 As stated at paragraph 3.2 Michael Steel & Co (Plant & Machinery) Limited marketed for sale the business and assets of the Company. They have been paid fees of £1,000 plus VAT.
 - 8.5.2 Gazetting charges totalling £75.50 plus VAT have been paid in respect of statutory notices.
 - 8.5.3 The Administrator has to pay an Office Holders Bond in accordance with the asset level of the case. The premium paid in this matter was £60.00.

9. CREDITORS' RIGHTS

- 9.1 Any secured Creditor, any Unsecured Creditor with the concurrence of at least 5% in value of the Unsecured Creditors (including that Creditor), or an Unsecured Creditor with the permission of the Court, has a period of twenty one days from the date of receipt of this progress report to request further information in respect of our remuneration and expenses.

- 9 2 Any Secured Creditor, any Unsecured Creditor with either the concurrence of at least 10% in value of the Creditors (including that Creditor), or an Unsecured Creditor with the permission of the Court, may make an application to the Court on the grounds that the remuneration charged and or expenses incurred by me is excessive or the basis fixed for my remuneration is inappropriate. Such an application to the Court must be made within eight weeks of the date of receipt of this progress report

10. ESTIMATED OUTCOME

10 1 Secured Creditor

The Company does not have any Secured Creditors

10 2 Preferential Creditor

The Company's Statement of Affairs reflected that the Company had a Preferential claim for £7,830 in respect of wages and holiday pay due to former Employees. The Preferential claim received totalled £8,560.98

Realisations will not be sufficient to enable a payment to be made to the Preferential Creditor in this matter.

10 3 Unsecured Creditors

The Company's Statement of Affairs reflected that the claims of the Unsecured Creditors amounted to £203,886

Realisations will not be sufficient to enable a dividend to be paid to Unsecured Creditors in this matter

- 10 4 Within the Act there are provisions for a fund, called the Prescribed Part, to be set aside for distributed to the Unsecured Creditors. The fund is calculated on the net realisations of property subject to a floating charge contained in a debenture created on or after 15th September 2003. As there is no floating charge holder, the above provisions will not apply

11. ENDING THE ADMINISTRATION

- 11.1 The most appropriate exit route of the Administration is for the Company to be dissolved pursuant to paragraph 84(1) of Schedule B1 of The Insolvency Act 1986. This option is in accordance with the Administrators Proposals, as detailed in the Report issued on 10th February 2015 and subsequently approved by Creditors

- 11 2 Upon the Company proceeding into dissolution, my liability pursuant to paragraph 98 of Schedule B1, shall take immediate effect, in accordance with the Administrator's Proposals, as detailed in my Report issued on 10th February 2015 and subsequently approved by Creditors

I trust the foregoing Report is self explanatory, but if you require any further explanation please do not hesitate to contact Simon Robinson (Tel 01274 598585 Email sarobinson@rushtonsifs.co.uk)

Dated this 15th day of December 2015

A handwritten signature in black ink, appearing to read 'R. Claughton', with a long horizontal stroke underneath.

Raymond Stuart Claughton
Administrator
acting as agent of the Company
without personal liability

BONBONS DAY NURSERIES LIMITED

IN ADMINISTRATION

APPENDIX A

**RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD 19TH JUNE
2015 TO 15TH DECEMBER 2015, TOGETHER WITH A CUMULATIVE
TOTAL FOR THE PERIOD OF ADMINISTRATION**

APPENDIX A

**BONBONS DAY NURSERIES LIMITED – IN ADMINISTRATION
ADMINISTRATOR'S RECEIPTS AND PAYMENTS**

Statement of Affairs £		Period 19/06/15 to 15/12/15 £	Period 19/12/14 to 15/12/15
	RECEIPTS		
	ASSETS SUBJECT TO FIXED CHARGE		
	Nil	Nil	Nil
	ASSETS SUBJECT TO FLOATING CHARGE		
	Nil	Nil	Nil
	UNCHARGED ASSETS		
Nil	Short Leasehold Improvements	Nil	Nil
	(Toys and Equipment)		
5,000 00	(Outdoor Equipment)	Nil	4,350 00
	(Nursery Furniture)		
	(Other Assets)		
Nil	Goodwill	Nil	10,000 00
Nil	Customer Contracts	Nil	1 00
Nil	Name of Company	Nil	500 00
Nil	Stock	Nil	148 00
Nil	Debts	Nil	1 00
Nil	Credits received after Administration	20,991.58	20,991 58
Nil	Cash at Bank	253.90	253 90
Nil	Refund of Bank Charges	5.00	5 00
Nil	Bank Interest	6.19	6 86
5,000 00		21,256.67	36,257 34
	PAYMENTS		
	Gazetting Charges	Nil	90 60
	Pre Administration Fees	Nil	6,000 00
	Office Holders Fees	1,860 16	3,060 16
	Legal Fees	Nil	4,850 00
	Agents Charges	1,200 00	1,200 00
	Bank Charges	Nil	5 00
	Office Holders Bond	60 00	60 00
	Payments after Administration	20,991 58	20,991 58
		(24,111.74)	(36,257 34)
		(2,855 07)	Nil
	BALANCE IN HAND		Nil

BONBONS DAY NURSERIES LIMITED – IN ADMINISTRATION

APPENDIX B

**TIME COSTS SUMMARY FOR THE PERIOD 19TH DECEMBER 2014 TO
15TH DECEMBER 2015**

APPENDIX B

CASE NAME: BONBONS DAY NURSERIES LIMITED – IN ADMINISTRATION
TIME AND CHARGE OUT SUMMARY FOR THE PERIOD FROM 19TH DECEMBER 2014
TO 15TH DECEMBER 2015

Hours (h) & Minutes (m)

Classification of Work	Director	Manager	Administrator and Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration and planning	44h 48m	3h 30m	12m	48h 30m	11386 00	234 76
Realisation of assets						
Trading						
Investigations	9h 30m			9h 30m	2280 00	240 00
Creditors	20h 30m	2h 18m		22h 48m	4554 00	199 74
Reports	13h 42m			13h 42m	3208 00	234 16
Unanalysed Time						
Total Hours	88h 30m	5h 48m	12m	94h 30m	21428 00	226 75

I am required to provide a breakdown of my time costs by activity and grade of staff under guidelines as a result of revision of Statement of Insolvency Practice 9

Rushtons Insolvency Limited hourly charge out rates with effect from 6th April 2014 are as follows -
 Director £200-280 Manager £180 Support Staff £100

BONBONS DAY NURSERIES LIMITED

IN ADMINISTRATION

APPENDIX C

**CREDITORS' GUIDE TO ADMINISTRATORS' FEES AND TO THE FEES,
EXPENSES AND DISBURSEMENTS CHARGED BY RUSHTONS
INSOLVENCY LIMITED FROM 6TH APRIL 2014**

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, explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the administrator and challenge those they consider to be excessive.

2 The nature of administration

- 2 1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective

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

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

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

3 The creditors' committee

- 3 1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is normally established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide information about the exercise of his functions.

4 Fixing the administrator's remuneration

- 4 1 The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed
- as a percentage of the value of the property which the administrator has to deal with,
 - by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration, or
 - as a set amount

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

It is for the creditors' committee (if there is one) to determine on which of these bases, or combination of bases, the remuneration is to be fixed. Where it is fixed as a percentage, it is for the committee to determine the percentage or percentages to be applied, and where it is a set amount, to determine that amount. Rule 2.106 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 (and provided the circumstances described in paragraph 4.3 do not apply), the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as apply in the case of the committee. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator, but the administrator may not make such an application unless he has first tried to get his remuneration fixed by the committee or creditors as described above, and in any case not later than 18 months after his appointment.

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

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

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

having regard to the same matters as the committee would.

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

4.4 A resolution of creditors may be obtained by correspondence.

5 Review of remuneration

5.1 Where there has been a material and substantial change in circumstances since the basis of the administrator's remuneration was fixed, the administrator may request

that it be changed. The request must be made to the same body as initially approved the remuneration, and the same rules apply as to the original approval.

6 Approval of pre-administration costs

- 6.1 Sometimes the administrator may need to seek approval for the payment of costs in connection with preparatory work incurred before the company went into administration but which remain unpaid. Such costs may relate to work done either by the administrator or by another insolvency practitioner. Disclosure of such costs must be included in the administrator's proposals and should follow the principles and standards set out in section 7.
- 6.2 Where there is a creditors' committee, it is for the committee to determine whether, and to what extent, such costs should be approved for payment. If there is no committee or the committee does not make the necessary determination, or if it does but the administrator, or other insolvency practitioner who has incurred pre-administration costs, considers the amount agreed to be insufficient, approval may be given by a meeting of creditors. Where the circumstances described in paragraph 4.3 apply, the determination may be made by the same creditors as approve the administrator's remuneration.
- 6.3 The administrator must convene a meeting of the committee or the creditors for the purposes of approving the payment of pre-administration costs if requested to do so by another insolvency practitioner who has incurred such costs. If there is no determination under these provisions, or if there is but the administrator or other insolvency practitioner considers the amount agreed to be insufficient, the administrator may apply to the court for a determination.

7 What information should be provided by the administrator?

7.1 When fixing bases of remuneration

- 7.1.1 When seeking agreement for the basis or bases of remuneration, the administrator should provide sufficient supporting information to enable the committee or the creditors to make an informed judgement as to whether the basis sought is appropriate having regard to all the circumstances of the case. The nature and extent of the information provided will depend on the stage during the conduct of the case at which approval is being sought. The appendix to this guide sets out a suggested format for the provision of information.
- 7.1.2 If any part of the remuneration is sought on a time costs basis, the administrator should provide details of the minimum time units used and current charge-out rates, split by grades of staff, of those people who have been or who are likely to be involved in the time costs aspects of the case.
- 7.1.3 The administrator should also provide details and the cost of any work that has been or is intended to be sub-contracted out that could otherwise be carried out by the administrator or his or her staff.
- 7.1.4 If work has already been carried out, the administrator should state the proposed charge for the period to date and provide an explanation of what has been achieved in the period and how it was achieved, sufficient to enable the progress of the case to be assessed and whether the proposed charge is reasonable in the circumstances of the case. Where the proposed charge is calculated on a time costs basis, the administrator should disclose the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. The administrator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the administrator or his or her staff.

7.2 After the bases of remuneration have been fixed

The administrator is required to send progress reports to creditors at specified intervals (see paragraph 8.1 below). When reporting periodically to creditors, in addition to the matters specified in paragraph 8.1, the administrator should provide an explanation of what has been achieved in the period under review and how it was achieved, sufficient to enable the progress of the case to be assessed. Creditors should be able to understand whether the remuneration charged is reasonable in the circumstances of the case (whilst recognising that the administrator must fulfil certain statutory obligations and regulatory requirements that might be perceived as bringing no added value for the estate). Where any remuneration is on a time costs basis, the administrator should disclose the charge in respect of the period, the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. If there have been any changes to the charge-out rates during the period under review, rates should be disclosed by grades of staff, split by the periods applicable. The administrator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the administrator or his or her staff.

7.3 Disbursements and other expenses

7.3.1 Costs met by and reimbursed to the administrator in connection with the administration should be appropriate and reasonable. Such costs will fall into two categories:

- **Category 1 disbursements** These are costs where there is specific expenditure directly referable both to the administration and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the administrator or his or her staff.
- **Category 2 disbursements** These are costs that are directly referable to the administration but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the administration on a proper and reasonable basis, for example, business mileage.

Category 1 disbursements can be drawn without prior approval, although the administrator should be prepared to disclose information about them in the same way as any other expenses. Category 2 disbursements may be drawn if they have been approved in the same manner as the administrator's remuneration. When seeking approval, the administrator should explain, for each category of expense, the basis on which the charge is being made.

7.3.2 The following are not permissible:

- a charge calculated as a percentage of remuneration,
- an administration fee or charge additional to the administrator's remuneration,
- recovery of basic overhead costs such as office and equipment rental, depreciation and finance charges.

8 Progress reports and requests for further information

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

- details of the basis fixed for the remuneration of the administrator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it),

- if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report),
- if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done during those periods, irrespective of whether payment was actually made during the period of the report,
- a statement of the expenses incurred by the administrator during the period of the report, irrespective of whether payment was actually made during that period,
- the date of approval of any pre-administration costs and the amount approved,
- a statement of the creditors' rights to request further information, as explained in paragraph 8.2, and their right to challenge the administrator's remuneration and expenses

8.2 Within 21 days of receipt of a progress report a creditor may request the administrator to provide further information about the remuneration and expenses (other than pre-administration costs) set out in the report. A request must be in writing, and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court.

8.3 The administrator must provide the requested information within 14 days, unless he considers that

- the time and cost involved in preparing the information would be excessive, or
- disclosure would be prejudicial to the conduct of the administration or might be expected to lead to violence against any person, or
- the administrator is subject to an obligation of confidentiality in relation to the information requested,

in which case he must give the reasons for not providing the information.

Any creditor may apply to the court within 21 days of the administrator's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information.

9 Provision of information – additional requirements

The administrator must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company.

The information which must be provided is –

- the total number of hours spent on the case by the administrator or staff assigned to the case,
- for each grade of staff, the average hourly rate at which they are charged out,
- the number of hours spent by each grade of staff in the relevant period.

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment, or where he has vacated office, the date that he vacated office.

The information must be provided within 28 days of receipt of the request by the administrator, and requests must be made within two years from vacation of office.

10 What if a creditor is dissatisfied?

- 101 If a creditor believes that the administrator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the administrator are in all the circumstances excessive he may, provided certain conditions are met, apply to the court
- 10 2 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the administrator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 8 1 above). If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing.
- 10 3 If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not as an expense of the administration.

11 What if the administrator is dissatisfied?

- 11 1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient or that the basis used to fix it is inappropriate he may request that the amount or rate be increased, or the basis changed, by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient or that the basis used to fix it is inappropriate, he may apply to the court for the amount or rate to be increased or the basis changed. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

12 Other matters relating to remuneration

- 12 1 Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.
- 12 2 If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.
- 12 3 If a new administrator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new administrator until a further determination, resolution or court order is made.
- 12 4 Where the basis of the remuneration is a set amount, and the administrator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing administrator. The application must be made to the same body as approved the remuneration. Where the outgoing administrator and the incoming administrator are from the same firm, they will usually agree the apportionment between them.

14 Summary of Charge Out Rates and Disbursement Charges with Effect from 6th April 2014

Rushtons Insolvency Limited Current Hourly Charge Out Rates

Director	200-280
Manager	180
Support Staff	100

Time cost analysis & explanation of work undertaken with effect from 6th April 2014

<u>Category</u>	<u>Examples of Work</u>
Administration & Planning	Case planning, reviewing, administrative set up, appointment notification, maintenance of statutory records, statutory reporting and compliance
Realisation of Assets	Identify, locating, realising and insuring Company assets Dealing with charged and past secured assets and verifying security documentation
Trading	Employee issues, instructing experts and agents, accounting, management operations
Investigations	Statutory duties, SIP 2 review, SIP 4 & CDDA reports, antecedent transactions and viable matters brought to our attention
Creditors	Communicating with creditors, (secured, preferential and unsecured) creditor claims, adjudication on claims, dealing with preferential creditors (employees) and dividends
Reporting	Reports and circulars to Creditors
Case specific matters	The nature of insolvency work means not every case is the same and may produce unique work requirements not covered above

Rushtons Insolvency Limited – Disbursements recovery policy – SIP 9

Category 1 disbursements

Bordereau/insurance	Charged at cost
Case advertising	As per advertisers/agents invoice
Courier	Charged at cost
DTI IVA registration fee	Charged at cost (in relevant cases)
Land Registry/Searches	As per Land Registry, agents or Companies House invoice
Post re-direction	Charged at cost
Subsistence	Charged at cost

Category 2 disbursements

Travel	Charged at cost for public transport and taxis Mileage is recharged at 45p per mile
Postage	Communication costs based on a charge of £6 25 per creditor/debtor/shareholder/employee/company officer Communication costs includes postage, photocopying/printing and fax
Room Hire	£100 room hire made available in-house for case specific meetings Charges only to be made when attendance of debtor/director and/or creditors is likely and a meeting room has been set aside Where appropriate, external room hire at cost (Category 1)
Storage	Document storage at a rate of £7 50 per box per year