

The Insolvency Act 1986

Administrator's progress report

Name of Company Cheval Property Developments Limited

Company number 04348496

In the High Court of Justice

[full name of court]

Court case number 5009 of 2011

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

I ~~We~~ (a) Malcolm Fillmore

of BM Advisory, Arundel House, 1 Amberley Court, Whitworth Road, Crawley RH11 7XL

Administrator of the above company attach a progress report for the period

from

to

(b) 17 July 2015

(b) 18 December 2015

(b) Insert dates

Signed

Malcolm Fillmore

Dated 20 January 2016

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.

Cindy Field

BM Advisory

Arundel House, 1 Amberley Court, Whitworth Road, Crawley RH11 7XL

Tel 01293 410334

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



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22/01/2016

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COMPANIES HOUSE

FRIDAY

TO THE MEMBERS AND ALL KNOWN CREDITORS

Arundel House
1 Amberley Court
Whitworth Road
Crawley RH11 7XL

T +44 (0)1293 410 333
F +44 (0)1293 428 530

www.bm-advisory.com

Our ref LAF/CHE001MPF

20 January 2016

Dear Sirs

Cheval Property Developments Limited – In Administration (“the Company”)

Company Number: 04348496

High Court of Justice No. 5009 of 2011

**Registered Office: Arundel House, 1 Amberley Court, Whitworth Road, Crawley RH11 7XL
(formerly Meridien House, 60 – 71 Clarendon Road, Watford, WD17 1DS)**

Ms Ranjit Bajjon and I, of BM Advisory of Arundel House, 1 Amberley Court, Whitworth Road, Crawley RH11 7XL, were appointed Joint Administrators of the Company on 20 June 2011, following an application by Israel Discount Bank. Ms Bajjon retired from office on 10 December 2014 and I remain in office as the sole Administrator

The Notice of Appointment was filed in the High Court of Justice under reference number 5009 of 2011

The purpose of this final report is to inform creditors that the Administration automatically ended on 18 December 2015. Accordingly, I write to provide creditors with a final account of the Administration, for the period 17 July 2015 to 18 December 2015, in accordance with rule 2.110 of the Insolvency Rules 1986. A copy of Form 2.24B is attached to this report

This report should be read in conjunction with my earlier reports to creditors. Copies of which are available on request

CONDUCT OF THE ADMINISTRATION

The Company provided short term secured lending to its clients to assist in the acquisition of property for development. The Company took security over each property with funding provided by Israel Discount Bank (“IDB”). IDB in turn took a charge over the Company’s security.

Since the date of my previous report I have dealt with the following matters

Seaton Heights

Veronica Sikkand and Robert Ramcharan had personally guaranteed the lending by IDB in respect of Seaton Heights and in June 2014 I reached a settlement with them whereby they would pay the sum of £330,000. I have received the initial payments of £100,000 and £35,000 due under the settlement agreement. A further payment of £50,000 is due by 27 December 2015 and £95,000 by 30 September 2016. I have recently

assigned all the rights, titles and interest in the settlement agreement to Israel Discount Bank ("IDB") so that amounts due under the settlement agreements can be paid directly to IDB

Monica Spysznyck and Mick and Ann Gripton had also personally guaranteed the lending by IDB in respect of Seaton Heights and in July 2014 I had reached a settlement with them whereby they would pay the sum of £50,000 in three tranches of £16,667. I did not receive the initial payment of £16,667 which was due by 30 December 2014 and I instructed my solicitor to issue proceedings against Ms Spysznyck. Ms Spysznyck was declared bankrupt on 6 July 2015. I have taken no further action to pursue the amounts due under the settlement agreement and I have recently assigned all rights, title and interest in the settlement agreement to IDB.

Thorn Farm, Stelling Minnis

The sale of Thorn Farm to Quinn Patel & Hayes Developments Limited was completed on 8 September 2015 for £700,000.

As detailed in my previous reports, the purpose of the Administration was to realise property in order to make a distribution to one or more secured or preferential creditors.

The Joint Administrators' proposals attached at **Appendix I** were deemed approved 8 business days after they were sent to creditors, namely 17 August 2011. There has been no amendment or deviation from the proposals.

Since my last report, time has been spent fulfilling my statutory compliance and reporting obligations in order to bring the Administration to an end and close my files.

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

Attached at **Appendix II**, is the Joint Administrators' receipts and payments account, for this reporting period, 17 July 2015 to 18 December 2015, together with the cumulative total for the whole period of my appointment, detailing a balance on hand of £20,091. The funds are held in a non-interest bearing estate account.

The funds held will be used to settle the legal costs of assigning the rights under the settlement agreements to IDB and applying to Court for my release as Administrator. The remaining balance will be paid to IDB under its fixed charge.

ASSETS

Friar Street, Reading

The ground floor and basement of 35 – 38 Friar Street, Reading, had been sold to Land Investments Limited, prior to my appointment. Land Investments Limited acquired the upper floors and the freehold in April 2013 for £525,000.

Seaton Heights, Devon

Loca Seaton Heights Limited acquired the freehold of Seaton Heights in July 2013 for £675,000.

Settlement agreements with guarantors of Seaton Heights

Settlement agreements were entered into with Ms Sikand, Mr Ramcharan, Ms Spysznyck and Mr and Mrs Gripton on 26 and 27 June respectively.

I have assigned the rights, titles and interest in the settlement agreements to IDB.

Thorn Farm Cottage and Thorn Farm, Stelling Minnis

The sale of Thorn Farm Cottage completed on 24 July 2015 for £300,000 plus interest on late completion of £362

Quinn Patel & Hayes Developments Limited acquired the freehold of Thorn Farm on 8 September 2015 for £700,000.

PII Claims

South Sands PII Claim

Prior to my appointment the Company had commenced a PII claim against the valuers of a property known as South Sands. The fruits of this action had however been assigned to Cheval Property Finance PLC and had subsequently been transferred to Checked Limited ("Checked") under the sale agreement with PWC. However the legal action was being continued in the name of the Company. I discussed and agreed with Checked a protocol which would allow me to realise funds from the action. A settlement figure of £145,000 was agreed and paid to me, this was shared equally between the Company and Checked.

Eatons Farm PII Claim

Prior to my appointment the Company had made a PII claim for £144,000 against the solicitors who had acted in the purchase of Eatons Farm. The Company had at the time of the purchase taken out a Defective Title Insurance Policy. I instructed my solicitor to assist me in pursuing the claim and accepted £50,000 in full and final settlement of the Company's claims.

Thorn Farm PII Claim

I issued a PII claim against the valuers of Thorn Farm for £2.6 million. The insurers instructed a firm of solicitors to deal with the matter and I provided further information and documents to my solicitors in support of my claim. In August 2014 the solicitors acting for the insured made a without prejudice offer of mediation, on advice from my solicitors I accepted the offer of mediation which was held on 17 November 2014.

At the mediation a settlement of £1 million was agreed. This sum was paid on 28 November 2014.

LIABILITIES

Secured creditors

IDB took specific fixed charges over the security held by the Company in relation to specific customers. The Company also granted a fixed and floating charge to IDB on 27 January 2011. At the date of the Administrators' appointment, the Company's indebtedness to IDB was £7.9 million, based on current information available, IDB will suffer a shortfall in respect of this security.

Preferential creditors

There are no preferential creditors of the Company.

Unsecured creditors

I have received claims from two creditors totalling £23,166.

The holding company Cheval Property Finance PLC is owed £3.3 million and Cheval Finance Limited is owed £3,000.

Unsecured creditors – Crown creditors

There are no amounts owed to HM Revenue & Customs by the Company.

DIVIDENDS

A dividend payment to unsecured creditors was not paid due to insufficient asset realisations

PRESCRIBED PART

The Prescribed Part Fund is created out of the Company's net floating charge property pursuant to Section 176A of the Insolvency Act 1986, as long as the floating charge was registered later than 15 September 2003.

As previously advised, the Company gave a fixed and floating charge to IDB on 27 January 2011, the Company's net property is likely to be less than £10k and the Act does not require me to distribute the prescribed part of the net property to creditors if I think that the costs of a distribution would be disproportionate to the benefit to creditors. I am of the view that the costs would be disproportionate and as such will not be making a distribution of the prescribed part.

JOINT ADMINISTRATORS' INVESTIGATIONS

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking into account public interest and the potential recoveries and costs involved. I concluded that there were no matters that justified further investigation.

Within six months of my appointment as Administrator, I was required to submit a confidential report to the Secretary of State to include any matters which came to my attention during the course of my work, which may have indicated that the conduct of any past or present director would make them unfit to be concerned with the management of the Company. I confirm that my report has been submitted.

PRE-ADMINISTRATION COSTS

On 17 October 2011, the secured creditor, IDB, approved my pre-Administration costs.

To date, pre-Administration fees of £10,101 and disbursements of £111.20, plus VAT, have been paid.

JOINT ADMINISTRATORS' REMUNERATION

It was agreed by the secured creditor on 17 October 2011, that the Joint Administrators be remunerated by reference to time properly spent by them and their staff in attending to matters arising from the Administration of the Company.

During this reporting period, 17 July 2015 to 18 December 2015, a total of 59.30 hours have been spent at a cost of £13,976, resulting in an average hourly charge out rate of £235.68. A schedule of my time costs for this reporting period, as well as for the whole period of the Administration, is attached at **Appendix III**, together with BM Advisory's policy on fees.

The sum of £360,552 plus VAT has been drawn against these time costs to date, of which £23,868 plus VAT was drawn in this reporting period.

A description of the work undertaken in this reporting period is as follows:

Administration and planning

- Dealing with all routine correspondence.
- Maintaining physical case files and electronic case details on IPS case management software.
- Case planning, administration and ongoing strategy reviews.
- Maintaining and managing the Administrators' cashbook and bank account.

Statutory compliance and reporting

- Preparation and issue of reports to members and creditors
- Case bordereau
- Ensuring statutory lodgements are submitted and tax lodgement obligations are met

Creditors

- Dealing with creditor correspondence and telephone calls
- Maintaining creditor information on IPS case management software, including proof of debts received from creditors

Investigations

- Review and storage of books and records.

Realisation of assets

- Negotiation and finalisation of the sale of assets following appointment
- Arranging open cover insurance and subsequent correspondence with the insurance broker to finalise appropriate post appointment insurance policies
- Arranging assignment of rights under settlement agreements to IDB

A copy of 'A Guide to Administrators' Fees' can be located on the following website which provides information relating to Administrators' remuneration www.r3.org.uk/index.cfm?page=1591 A hard copy is available on request

During this reporting period, I have incurred category 1 and 2 disbursements totalling £867.53 per the following breakdown, which have been paid in full in this period.

	£	
Printing and postage	6.09	Category 1 & 2
Storage	861.44	Category 1
Total	867.53	

During the Administration, I instructed solicitors to prepare deeds of assignment to assign the rights, title and interest in the settlement agreements. The fees paid are as detailed in my receipts and payments account. The choice of professionals was based on my perception of their experience and ability to perform the type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged were reviewed and I was satisfied that they were reasonable in the circumstances.

COMPLAINTS PROCEDURE

BM Advisory strives to provide a first class service to all of its clients and we are committed to a process of continuous improvement. As such should you have any comments or complaints regarding this matter you should contact me in the first place at the address on the front of this letter.

Should you consider that we have not dealt with your comments appropriately you may request we perform an internal independent review of your complaint. This review would be undertaken by a person within BM Advisory not involved in the assignment and would be co-ordinated by the Complaints Partner, Paul Ashton, who is contactable at this office.

If you do not receive a satisfactory response then you may be able to make a complaint to my regulatory body, via the complaints Gateway operated by The Insolvency Service. The contact details for the Gateway are by email insolvency.enquiryline@insolvency.gsi.gov.uk, by phone 0300 678 0015 (call charges apply) or by post at The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA. To make an online submission or for further information please visit <https://www.gov.uk/complain-about-insolvency-practitioner>

ENDING THE ADMINISTRATION

As there are insufficient funds to declare a dividend to preferential and unsecured creditors and no further assets to realise, the Administration is now complete and my files will be closed. The Administration has been completed and ended automatically on 18 December 2015, being the final date of my appointment Form 2.30B Notice of automatic end of Administration, has been filed with the Registrar of Companies. A copy of the Notice is attached at **Appendix IV** As agreed by creditors in the Joint Administrators' Proposals, Form 2.30B, Notice of Automatic End of Administration was registered by the Registrar of Companies on 20 January 2016.

FURTHER INFORMATION

Should you require any further information, please do not hesitate to contact Cindy Field on 01293 410334

Yours faithfully

For and on behalf of

Cheval Property Developments Limited



Malcolm Fillmore

Former Administrator

CHEVAL PROPERTY DEVELOPMENTS LIMITED
(In Administration) ("The Company")
Company No. 04348496

STATEMENT OF THE ADMINISTRATORS' PROPOSALS

Pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986; and
Rule 2.33 of The Insolvency Act 1986

7. Administrators' Proposals

Extract from full proposals.

- 7 1 The following are our Statement of Proposals for achieving the purposes of the Administration Order made in respect of the Company.
- 7 2 That we be given authority to continue to manage and finance the business and affairs of the Company from asset realisations in such manner as we consider expedient with a view to 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)
- 7.3 That we be empowered to review all existing contractual commitments and obligations of the Company and, where necessary, cause the Company to determine (if not already terminated) any such contractual commitments which, in our view, are not beneficial to the future of the business
- 7 4 That our remuneration for acting as Administrators be fixed pursuant to Rule 2 106 IR1986 by reference to the time properly given by us and our staff in attending to matters arising in the Administration and that the Administrators be at liberty to draw fees up to actual time costs incurred from time to time from funds held by us. That details of the remuneration drawn and time costs will be set out in the Administrators' progress reports as required by R3 (The Association of Business Recovery Professionals). The present hourly charge out rates for principals and staff likely to be involved in this case are set out as follows together with details and charges for category 2 disbursements:
- 7 4 1 Partners £275 - £295, Senior Professional Staff £115 - £230 and assistants and support staff £85 - £100
- 7 4 2 Approval be given for category 2 disbursements payable to Atherton Bailey at the rate of 25 pence per letter, 15 pence per photocopy and 45 pence per mile plus 5 pence for additional persons travelling in the same car Approval be also given for the costs of company and other searches from our Provider Credit Safe which we recharge to the case at the rate of £5 per search
- 7.5 The total "time costs" recorded since our appointment are summarised on the attached schedule in the format prescribed by R3 As the Administrators have stated that in their opinion the Company has insufficient assets to pay a dividend to unsecured creditors other than by virtue of the prescribed part it will be for the secured creditor, IDB, to approve our fees in the absence of a creditors' committee.
- 7 6 That the Administrators be paid their time costs and any category 2 disbursements in relation to unpaid pre-administration costs as set out in Appendix A and C to this Proposal pursuant to Rule 2 67A.
- 7 7 That we may do all such other things as we, in our discretion, consider will preserve protect or enhance the business and/or assets of the Company and/or are incidental to these proposals and their implementation This may include investigating claims and if appropriate pursuing those claims under the Companies Acts and/or The Insolvency Act or other legislation
- 7.8 That we take and implement such other consequential decisions as, in our judgement, will benefit the creditors of the Company
- 7 9 That as soon as we deem it appropriate, we seek a discharge of the Administration and our release as Administrators Following the filing of the Administrators' final progress report to the Registrar of Companies both Administrators will deemed to be released from any further liability

arising from or connected howsoever to the Administration pursuant to Paragraph 98 of Sch B1 IA1986

- 7 10 That if we determine there will be sufficient funds to pay a dividend to the unsecured creditors we will apply to Court to distribute the funds to the unsecured creditors. If permission is given we will distribute the funds and then file notice with the Registrar of Companies following which the Company will be dissolved in three months. If permission is not granted we will consider a CVA but if this is not beneficial to the creditors, we be authorised to realise the Company's assets on the best basis reasonably attainable and, unless the realisations are insufficient to pay any dividend to unsecured creditors, shall propose to place the Company into Creditors' Voluntary Liquidation. In this event the proposed liquidators will be the current Administrators but in accordance with Paragraph 83(7)(a) and Rule 2.117A(2) (b), creditors are advised that they may nominate a different person or persons, provided that the nomination is made after receipt of our proposals to put the Company into liquidation and before those proposals are deemed to be approved.

Cheval Property Developments Ltd - In Administration
Administrator's Abstract of Receipts & Payments

Statement of Affairs		From 17/07/2015 To 18/12/2015	From 20/06/2011 To 18/12/2015
ASSET REALISATIONS			
2,000,000 00	Freehold - Seaton Heights/Thorn Farm	NIL	675,000 00
	Interest on Late Completion	NIL	1,424 63
	Insurance Rent Friar Street	NIL	28,400 93
500,000 00	Freehold - Friar Street	NIL	525,000 00
	PII Claim - Thorn Farm	NIL	1,000,000 00
	PII Claim - South Sands	NIL	145,000 00
	PII Claim - Wallace/Eatons Farm	NIL	50,000 00
	Guarantors Settlement - Seaton Heigh	NIL	135,000 00
	Thorn Farm Cottage	300,000 00	300,000 00
	Interest on Late Completion - Thorn F	361 64	361 64
	Thorn Farm	700,000 00	700,000 00
49,085 00	Cash at Bank	NIL	22,338 82
	Rent	NIL	38,092 70
	Bank Interest Gross	38 34	1,055 83
		<u>1,000,399 98</u>	<u>3,621,674 55</u>
COST OF REALISATIONS			
	Specific Bond	NIL	1,560 00
	PII Claim - South Sands	NIL	72,500 00
	Pre Administration Fees	NIL	12,121 59
	Office Holders Fees	45,600 00	432,662 40
	Proper Agents Management Fees	NIL	5,031 36
	Data Recovery	NIL	896 40
	VAT Consultancy	NIL	5,400 00
	Valuers Fees - Thorn Farm	NIL	7,014 00
	Valuers Fees - Friar Street	NIL	2,400 00
	Legal Fees	1,150 00	169,022 10
	Legal fees - Third Party	NIL	3,576 00
	Corporation Tax	96 61	103 82
	Land Registry Fees	NIL	98 80
	Expert Valuers Fee Thorn Farm	33 13	11,437 33
	Estate Agents Commission	16,800 00	26,023 20
	Travel & Subsistence	NIL	3,067 42
	Stationery & Postage	7 31	277 36
	Auctioneers Costs - Thorn Farm	10,800 00	11,220 00
	Storage Costs	1,136 68	1,247 35
	Company Searches	NIL	430 80
	Statutory Advertising	NIL	175 72
	Courier Charges	NIL	570 30
	Insurance Works - Friar Street	NIL	976 80
	Insurance Works - Seaton Heights	NIL	20,199 60
	Insurance of Assets	-1,918 60	84,077 75
	Planning Consultancy Costs - Thorn Fa	NIL	75,699 31
	Legal Costs - Sale of Assets	6,577 02	22,127 22
	Bank Charges	24 00	123 00
	Site Visits,Maintenance Costs - Thorn	2,465 40	8,382 45
		<u>82,771 55</u>	<u>978,422 08</u>
FLOATING CHARGE CREDITORS			
	Shepway District Council	6,002 20	6,002 20
	Secured Creditor	942,158 42	2,617,158 42
		<u>948,160 62</u>	<u>2,623,160 62</u>
1,549,085.00		<u><u>-30,532.19</u></u>	<u><u>20,091.85</u></u>
REPRESENTED BY			
Estate bank account - interest bearing			20,091 85
			<u><u>20,091.85</u></u>

The Company is not registered for VAT and all entries are posted gross

Atherton Bailey

TIME & CHARGEOUT SUMMARIES

Cheval Property Developments Limited
Administration

HOURS

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	28 98	0 00	325 08	172 15	526 22	103,991 10	197 62
Investigations	11 17	0 00	2 32	0 22	13 70	3,852 82	281 23
Realisation of Assets	121 85	0 00	128 37	0 60	250 82	65,707 96	261 97
Trading	0 42	0 00	0 00	0 92	1 33	235 43	176 56
Creditors	32 92	0 00	46 15	3 73	82 80	21,037 60	254 08
Litigation	7 67	0 00	25 92	0 00	33 58	8,434 31	251 14
Rec & Pay	0 00	0 00	0 00	20 65	20 65	1,868 64	90 50
Total Fees Claimed £	59,453 64	0 00	123,163 85	22,510 37		205,127 86	
Total Hours	203 00	0 00	527 83	198 26	929 10		
Average Rate	292 87	0 00	233 34	113 54			

Cheval Property Developments Limited - In Administration

Joint Administrator's time costs

For the period

11 June 2011 to 18 December 2015

Classification of Work	Work Analysis	Hours by Staff Grade					Total Cost £	Average Hrlly Rate £
		Partner	Senior Administrator	Administrator 1	Junior	Cashier		
Administration and Planning	Bill	0 00	0 70	0 00	0 00	0 60	237 00	182 31
	Case Accounting	1 60	0 00	0 60	0 30	26 40	3,911 40	127 74
	Partner Review	7 30	0 00	0 00	0 00	0 00	2,689 00	368 36
	Strategy and Planning	10 10	160 25	1 21	0 00	2 45	43,158 55	248 02
	2 Meetings	0 80	0 00	0 00	0 00	0 00	304 00	380 00
Asset Realisation	Asset Realisation (fixed)	0 40	0 00	0 00	0 00	0 00	152 00	380 00
	2_Freehold/Leasehold Property	0 00	0 40	1 90	0 00	0 00	552 00	240 00
Creditors	Asset Realisation (other)	46 37	132 82	0 10	0 00	0 00	50,056 45	279 19
	Unsecured Creditors	0 60	0 00	0 00	0 00	0 00	238 80	351 18
Investigation	Secured Creditors	14 27	71 95	0 00	0 00	0 00	23,594 15	273 65
	Investigatory Work	0 00	3 20	0 00	0 00	0 00	768 00	240 00
Legal and Litigation	Legal / Litigation (other)	8 30	158 72	0 00	0 00	0 00	42,610 20	255 12
	Statutory Compliance	0 00	2 10	0 00	0 00	0 00	504 00	240 00
Statutory Compliance	Tax & VAT	0 70	0 00	0 00	0 00	0 00	266 00	380 00
	Billing & WIP Reviews	0 10	0 00	0 00	0 00	0 10	38 50	192 50
Controllable		90 54	530 14	3 81	0 30	29 55	169,080 05	257 69
Grand Total								

Cheval Property Developments Limited - In Administration

Joint Administrator's time costs
For the period
17 July 2015 to 18 December 2015

Classification of Work	Work Analysis	Hours by Staff Grade					Grand Total	Total Cost £	Average Hry Rate £
		Partner	Senior Administrator	Cashier	Administrator 1				
Administration and Planning	Bill	0.00	0.70	0.40	0.00		1.10	214.00	194.55
	Case Accounting	0.70	0.00	6.00	0.50		7.20	1,076.00	149.44
	Partner Review	1.40	0.00	0.00	0.00		1.40	532.00	380.00
	Strategy and Planning	0.00	22.80	0.80	0.50		24.10	5,684.00	235.85
Asset Realisation	Asset Realisation (fixed)	0.40	0.00	0.00	0.00		0.40	152.00	380.00
	z_Freehold/Leasehold Property	0.00	0.00	0.00	1.40		1.40	336.00	240.00
Creditors	Asset Realisation (other)	0.00	12.80	0.00	0.10		12.90	3,096.00	240.00
	Unsecured Creditors	0.60	0.00	0.00	0.00		0.60	228.00	380.00
Investigation	Secured Creditors	1.90	4.50	0.00	0.00		6.40	1,802.00	281.56
	Investigatory Work	0.00	1.90	0.00	0.00		1.90	456.00	240.00
Statutory Compliance	Legal / Litigation (other)	0.00	0.20	0.00	0.00		0.20	48.00	240.00
	Statutory Compliance	0.00	2.10	0.00	0.00		2.10	504.00	240.00
Grand Total	Tax & VAT	0.20	0.00	0.00	0.00		0.20	76.00	380.00
		5.20	45.00	7.20	2.50		59.90	14,204.00	237.13

BM ADVISORY

STATEMENT OF POLICY ON FEES IN INSOLVENCY PROCEEDINGS

Introduction

This statement has been prepared in accordance with guidelines set out in Statement of Insolvency Practice 9 issued by the Association of Business Recovery Professionals (R3)

The following information applies to all appointments of partners, directors, consultants or staff of BM Advisory, to act as any of the following -

Liquidator, Receiver, Administrator or Administrative Receiver of a Limited Company or Limited Liability Partnership
Trustee in Bankruptcy
Supervisor of an Individual, Company or Partnership Voluntary Arrangement
Administrator under the Insolvent Estates Order

When acting as Nominee, the provisions of the Insolvency Act 1986 ("the Act") require that the amount of the fees payable to the Office Holder be specified within the Debtor's proposals. Such fees will nevertheless be fixed to take account of the Office Holder's expected time costs arising as referred to below

Policy on fees

In accordance with the Act, the Office Holder may seek approval of their remuneration either on a fixed fee basis, on a percentage basis or on a time costs basis. When an Office Holder's fees are charged by reference to time costs, they will be charged at the firm's usual rates applicable at the time the work is carried out. Rates may be varied from time to time, at the sole discretion of BM Advisory, and such changes will be notified in retrospect with each report to Creditors. It is the policy of BM Advisory to use as junior grade of staff as compatible with the efficient conduct of the matter in order to ensure costs are kept to a minimum. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.

As at 1st March 2014 the rates applicable are

Grade	£
Partner 1	430
Partner 2	380
Associate Director	360
Senior Manager	340
Manager	310
Assistant Manager	285
Senior Administrator	240
Administrator 1	185
Administrator 2	155
Junior Administrator	125
Cashier	115
Support staff	85

Rates vary between individuals, reflecting experience and qualification. For certain more complex tasks, BM Advisory may seek to apply a higher rate in respect of work undertaken, but subject to prior authorisation in accordance with the Act.

For further information on the manner in which an Office Holder's fees may be fixed, please refer to the guidance notes in relation to fees at www.r3.org.uk/index.cfm?page=1591

Disbursements

Disbursements are categorised as either Category 1 or Category 2

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the case or BM Advisory, in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the case. These disbursements are recoverable in full from the case without the prior approval of creditors either by a direct payment from the case or, where BM Advisory has made payment on behalf of the case, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage and specific bond insurance.

Category 2 expenses are incurred by BM Advisory and recharged to the case, they are not attributed to the case by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the case, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of Category 2 disbursements are photocopying, internal room hire and internal storage.

It is proposed that the following Category 2 disbursements are recovered

Meeting room hire	Up to £200
Creditor portal (operated within BM Advisory website)	£10 (per report)
Postage	£0.51 - £2.25
Mileage (per mile)	£0.45
Photocopies (per sheet)	£0.15
Storage (per box per month)	£0.35

The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.