

The Insolvency Act 1986

Administrator's progress report

2.24B

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

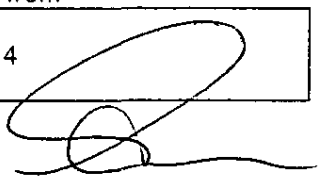
Insert full name(s) and
address(es) of
administrator(s)

We (a) Malcolm Peter Fillmore and Ms Ranjit Bajon of Arundel House, 1 Amberley Court,
Whitworth Road, Crawley, RH11 7XL

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

(b) Insert dates

from	to
(a) 17 January 2014	(b) 16 July 2014

Signed 
Joint Administrator - M P Fillmore

Dated 1 August 2014

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 searches of the public record.

BM Advisory Arundel House, 1 Amberley Court Whitworth Road, Crawley RH11 7XL		Tel 01293 410333
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

FRIDAY



Q3M2U86Z

QIQ 05/12/2014 #104

COMPANIES HOUSE

**JOINT ADMINISTRATORS' PROGRESS REPORT
FOR THE PERIOD 17 JANUARY 2014 TO 16 JULY 2014**

CHEVAL PROPERTY DEVELOPMENTS LIMITED – IN ADMINISTRATION

CONTENTS

- 1 Introduction and Statutory Information
- 2 Progress of the Administration
- 3 Assets remaining to be Realised
- 4 Extension to the Initial period of Administration
- 5 Exit Route
- 6 Joint Administrators' Costs and Remuneration

APPENDICES

Appendix 1 - Statutory Information

Appendix 2 & 2a - Summary of Administrators time costs for the period of the report as well as an accumulative summary

Appendix 3 - Receipts and payments Account for the period of the report as well as an accumulative summary

CHEVAL PROPERTY DEVELOPMENTS LIMITED (In Administration) ("The Company")
Former Trading address of company Meridien House, 69-71 Clarendon Road, Watford WD17 1DS

ADMINISTRATORS' PROGRESS REPORT FOR THE PERIOD 17 JANUARY 2014 TO 16 JULY 2014
(Rule 2 47 of the Insolvency Rules 1986)

1 Introduction and Statutory Information

- 1 1 On 20 June 2011, Malcolm Fillmore and Ms Ranjit Bajon were appointed Joint Administrators of the Company. This is our formal report on the progress of this Administration since our appointment.
- 1 2 The business of the Company was to provide bridging finance to customers, principally to assist them to acquire property for development. The Company took security over the property and Israel Discount Bank ("IDB") in turn took security over the Company's security. The Company traded from leasehold premises in Watford.
- 1 3 Attached as Appendix 1 are certain formal and statutory details which we are required to disclose and which include details relating to our costs as Administrators, further details of which are given in Appendix 2. Appendix 3 is a summary of our receipts and payments for the six month period to 16 July 2014 as well as an accumulative summary to the date of this report.

2 Progress of the Administration

- 2 1 The Purposes of the Administration were to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up and realising property in order to make a distribution to one or more secured or preferential creditors. In practice, the latter purpose has been adopted.

- 2 2 As at the date of our appointment the company had outstanding loans against the following properties:

35-38 Friar Street Reading ("Friar Street")
Seaton Heights Devon ("Seaton Heights")
Thorn Farm Nr Canterbury Kent ("Thorn Farm")
Carrick Court Hotel Southern Ireland ("Carrick Court")

Friar Street, Reading

- 2 3 The ground floor and basement of 35 – 38 Friar Street, Reading, had been sold to Land Investments Limited, prior to our appointment. Land Investments Limited acquired the upper floors and the freehold in April 2013 for £525,000.

Seaton Heights, Devon

- 2 4 Loca Seaton Heights Limited acquired the freehold of Seaton Heights in July 2013 for £675,000. I report in detail below on the recent settlement with the guarantors against the lending by Cheval.

Thorn Farm

- 2 5 A change of planning use was granted in September 2012 over Thorn Farm to allow for offices/light industrial and storage/distribution. The planning permission is due to lapse in September this year and although considered by our valuation agents, in present market conditions, to be unviable, our planning and development consultants, recommended it be renewed. Our present strategy is to improve the existing planning for the property to a mixed commercial/residential permission as being the only option providing for a viable redevelopment of this brownfield site.
- 2 6 We have instructed our consultants to obtain revised environmental and transport reports in support of an application to the local authority for mixed commercial/residential planning permission. The application has taken a considerable period of time to prepare but it is anticipated that it will be submitted soon.

- 2 7 We are continuing to receive rental income of £700 per month from the tenant of Thorn Farm Cottage. While available for separate sale, the agreed strategy is to retain this while planning issues are resolved for the site.

Carrick Court Hotel, Southern Ireland

- 2 8 The Company loaned Eugene Shendan 2,539,626 Euros in February 2008 taking out a second charge over the property after Clydesdale Bank. Deloitte were appointed as LPA Receivers of Carrick Court Hotel in 2009 and we have seen a copy of the valuation report prepared for them.
- 2 9 We understand that a sale of Carrick Court has now been completed and that there were no funds from the sale proceeds for the second charge holder.

PII Claims

South Sands PII Claim

- 2 10 Prior to our 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 CPF 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. We discussed and agreed with Checked a protocol which would allow us to realise funds from the action. A settlement figure of £145,000 was agreed and paid to us, this was shared equally between the Company and Checked.

Eatons Farm PII Claim

- 2 11 Prior to our appointment the Company 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. We instructed our solicitor to assist us in pursuing the claim and accepted £50,000 in full and final settlement of the Company's claims.

Thorn Farm PII Claim

- 2 12 We have issued a PII claim against the valuers of Thorn Farm for £2.6 million. The insurers have instructed a firm of solicitors to deal with the matter and our solicitor is in correspondence with them. We are continuing to provide further information and documents to our solicitors in support of our claim and remain confident of a recovery in due course.

Guarantors of Seaton Heights

- 2 13 The Company granted a bridging loan of £750,000 to Mick and Ann Gipton ("the Giptons") and M2 Services Limited ("M2 Services") in December 2007. Robert Ramcharan, Veronica Sikand and Monica Spysznyk ("the Guarantors") agreed to act as guarantors of the loan.
- 2 14 Following the sale of Seaton Heights in July 2013 for £675,000 there was a substantial shortfall against the lending. We issued statutory demands against the Guarantors and M2 Services. In August 2013 but were unable to serve demands against the Giptons as they had moved to Spain.
- 2 15 While Ms Sikand made an application to Court to set aside the demand, neither Mr Ramcharan nor Ms Spysznyk responded to the demands and accordingly bankruptcy petitions were issued against them in November 2013. Ultimately these applications were consolidated and a hearing set for 26 June 2014.
- 2 16 In the meantime, a winding up order was made against M2 Services on 12 June 2014. The Official Receiver has been appointed as liquidator and has stated that he is not aware of any assets.
- 2 17 Prior to the hearing on 26 June, Ms Spysznyk contacted us and arranged a meeting between us and a third party representative for all of the Guarantors to discuss a settlement. This led to a settlement being agreed with Ms Sikand and Mr Ramcharan immediately prior to the hearing of a total of £280,000 and evidence by a formal Tomlin Order. That Order provides for the settlement sum to be paid in stages by December 2015 and is subject to security.

2 18 Ms Spysznyk was not formally represented at the bankruptcy hearing, and at our request, the Court adjourned the bankruptcy petition for 7 days to allow time to reach a settlement with Ms Spysznyk. After the hearing, we were contacted by her husband and following negotiations we agreed to accept £50,000 offered by Mr Spysznyk and which, by agreement encompassed the indebtedness not only of Ms Spysznyk but also the Griptions, with whom it appeared Mr Spysznyk still had contact. This sum, also subject to a formal Tomlin Order, is to be paid in stages by no later than December 2015.

2 19 The total settlement achieved is therefore £330,000, payable in stages by December 2015.

Other Matters

2 20 As required by SIP2, I have invited creditors to provide the Administrators with information they may have on any concern regarding the way in which the company's business has been conducted, or on potential recoveries for the Administration estate. We have also considered the conduct of those who have been directors of the company (whether formally appointed as directors or not) at any time within the three years preceding the date of the Administration. We would advise you that no further investigations or actions are to be continued with, however if there are any matters you have not yet drawn to our attention, please could you do so as soon as possible.

Future Strategy

2 21 We intend to apply to the Court to extend the period of the Administration for a further period of 24 months to 19 December 2016. This will allow us to continue to pursue the PII claim against the valuers of Thorn Farm and to collect the amounts due under the settlement agreements with the guarantors of Seaton Heights. We will also continue to seek to improve the planning permission for Thorn Farm to enhance its value prior to its ultimate sale.

Creditors

2 22 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 £7,940,333, based on current information available, IDB will suffer a shortfall in respect of this security.

2 23 The Company has no preferential creditors.

2 24 Pursuant to Section 176A of the Insolvency Act 1986, where there is a floating charge which is dated after 15 September 2003, a prescribed part comprising from the company's net floating charge property is to be set aside for distribution to the creditors taking into account the costs in relation of the distribution. We have not become aware of any assets which would be subject to the floating charge consequently the provisions of Section 176A do not apply,

3 Assets remaining to be realised

3 1 As at the date of this report, the following assets remain to be realised,

- Thorn Farm nr Canterbury, Kent
- PII claim against the valuer of Thorn Farm
- Guarantees relating to Seaton Heights

4 Extension to the Period of Administration

4 1 On 12 November 2012 the Court extended the Administration for a further period of 2 Years to 18 December 2014.

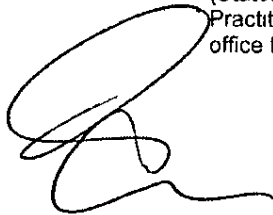
4 2 We are now seeking a further extension from the Court to extend the Administration to 18 December 2016 in order to give us sufficient time to achieve the realisation of the Company's remaining assets. This will allow for obtaining the necessary revised planning permission on Thorn Farm, a settlement over the PII claim and the realisation of the settlements achieved in regard to Seaton Heights.

5 The Exit Route

- 5.1 There are a number of possible exit routes from Administration. These include
- 5.1.1 Distributing the funds to creditors in accordance with their statutory priority and then seeking to dissolve the Company. If funds are to be paid to unsecured creditors, this requires the sanction of the Court.
 - 5.1.2 Putting the Company into Creditors' Voluntary Liquidation. In this event, the Administrators would act as liquidators in accordance with our proposals.
 - 5.1.3 Proposing a Company Voluntary Arrangement (CVA).
- 5.2 In this case, the majority of the funds are to be paid to Israel Discount Bank under their fixed charge security. The only prospect for funds being available to pay such a dividend to unsecured creditors would be via the prescribed part, although this is considered unlikely but if this is available, we would seek the Court's permission to distribute this in the Administration prior to the dissolution of the Company. However, should an alternative route appear to be beneficial to the outcome for creditors, we may choose that route.
- 5.3 The Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon our appointment as Administrators ceasing to have effect.

6 Joint Administrators' Costs and Remuneration

- 6.1 A summary of BM Advisory's policy on fees up to 28 February 2014 and from 1 March 2014, together with the total "time costs" recorded both since our appointment and for the period under review are attached as Appendices 2 and 2a in the format prescribed by R3 (The Association of Business Recovery Professionals). Creditors should note that these are the time costs shown on our internal accounting records and are not necessarily the amounts actually charged and recovered as remuneration. A Creditor's guide to Administrator's Fees can be located in SIP 9 (Statement of Insolvency Practice) which can be accessed through the website of the Insolvency Practitioners Association, www.insolvency-practitioners.org.uk. Alternatively please contact this office for a copy to be sent to you by post.



Malcolm Fillmore
Joint Administrator of Cheval Property Developments Limited
Dated 1 August 2014

STATUTORY INFORMATION AND DISCLOSURES

Details of Relevant Court

High Court of Justice
Court reference No 5009 of 2011

Company Details

Registered Office Arundel House, 1 Amberley Court, Whitworth Road, Crawley, RH11 7XL
Registered Number 04348496
Any former name in 12 months prior to Administration None

Administration Details

Malcolm Peter Fillmore and Ms Ranjit Bajon of BM Advisory, Arundel House, Amberley Court, Whitworth Road, Crawley RH11 7XL were appointed on 20 June 2011
The appointment was made by the court pursuant to an application made by Israel Discount Bank Limited ("IDB")
The Administrators act jointly and severally in all matters relating to the Administration
There have been no changes in the office holders since Administration

Administrators' Remuneration

The Administrators' Proposals were deemed to be approved on 18 August 2011 and it was agreed that the Administrators remuneration would be on a time cost basis pursuant to Rule 2.106 IR1986 Attached as Appendix

The creditors also approved Category 2 disbursements as being 25p per letter, 15p per photocopy and 45p per mile plus 5p for additional persons travelling in the same car Company searches and other searches from our Provider Credit Safe which are to be recharged to the case at a rate of £1 per search

The Category 2 disbursements incurred (irrespective of whether payment has been made during the period) by the Administrators for the period of the Report are as follows

- Letters, photocopying and Postage £14.64
- Company House Searches £2.00

Administrators' remuneration of £10,000 plus VAT was drawn in the period covered by the report No category 2 disbursements were drawn in the period in accordance with the resolution passed In total fees of £200,000 plus VAT have been drawn in the Administration Pre-Administration costs of £10,101.32 and disbursements of £196.08 have been approved by the secured creditor In addition remuneration from realisations of assets secured by fixed charges will be approved by the secured creditor

A Creditor's Guide to Administrator's Fees, known as SIP 9 (*Statement of Insolvency Practice 9*), can be accessed through the website of the Insolvency Practitioners Association, www.insolvency-practitioners.org.uk Alternatively please contact this office for a copy to be sent to you by post

Creditors are advised that within 21 days of receipt of a progress report you may request the Administrators to provide further information about the remuneration and expenses (other than pre-administration costs) set out in the report Any request must be in writing, and made either by a secured creditor or by an unsecured creditor with the concurrence of at least 5% in value of all unsecured creditors (including himself) or the permission of the court Explanation of the rights to challenge the administrators' remuneration and expenses are set out in SIP9

Cheval Property Developments Limited
(in Administration)

Administrators Receipts and Payments Account For the period 20 June 2011 to 1 August 2014		For the Period from 17 January 2014 to 16 July 2014	
	£	£	£
RECEIPTS			
Trade Debtors	2 000 000		154 682.26
35 37 Friar Street Reading	500 000		
Seaton Heights			
Interest Late Completion	49 085		
Cash at Bank			
Settlement of PII Claim re South Sands			5 650.00
Settlement of PII Claim re Easons Farm			251.77
Rental Income			
Bank Interest Received (Gross)			
Valuation Recharge Friar Street			
Insurance North Friar Street			
	<u>2 549 085</u>		<u>140 584.03</u>
PAYMENTS			
Pre Administration Fees	12 121.59		
LPA Receiver Friar Street Fees	42 000.00		
Office Holders Fees	198 000.00		
CHAPS Payment Fee	66.00		
Land Registry Fees	66.86		
Travel & Subsistence	2 653.18		
Printing Copying and Postage	211.00		30.00
Company Searches	426.40		
Statutory Advertising	91.80		986.40
Data Recovery	890.40		75.35
Storage	25.35		
Bonding	1,500.00		
Convey Charges	498.30		
Insurance Works	976.80		
Insurance Works Seaton Heights	20 166.60		
Property Agents Valuation Thorn Farm	7 614.00		4 220.00
Property Agents Valuation Friar Street	2 400.00		
Property Agents Management Fees	5 031.36		
Insurance Seaton Heights/Thorn Farm	14 855.40		2 183.60
Insurance Friar Street	68 347.35		
Legal Costs Sale of Assets	14 634.00		
Property Agents Commission	8 784.00		2 400.00
Legal & Professional Costs	112 625.30		40 292.56
Legal Costs Third Party	3 576.00		
PII Claim South Sands 10% settlement	72 500.00		
Expert Valuers Fee Thorn Farm	4 500.00		
Planning & Development Consultancy	32 101.89		6 453.40
Corporation Tax	7.21		
	<u>828 577.30</u>		<u>56 407.31</u>
Secured Creditor IDB	775 000.00		0.00
DISTRIBUTIONS			
Preferential Dividends	0.00		0.00
Unsecured Distributions	0.00		0.00
Balance in insolvent estate account as at 1 August 2014 (Interest bearing account)			<u>154 292.72</u>

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 Administrators Time Costs

For the Period
6 August 2013 to 16 July 2014

Classification of Work	Work Analysis	Hours by Staff Grade						Grand Total	Total Cost £	Average Hrs Rate £
		Partner	Senior Administrator	Junior	Cashier	Administrator 1	Administrator 2			
Administration and Planning	Admin & Planning	8.10	52.25	0.00	0.95	0.21	0.00	61.51	16,071.55	261.28
	Case Accounting	0.30	0.00	0.30	8.25	0.10	0.66	9.61	1,045.85	108.83
	Partner Review	2.60	0.00	0.00	0.00	0.00	0.00	2.60	903.00	347.31
	Asset Realisation	21.97	35.72	0.00	0.00	0.00	0.00	57.69	17,456.45	302.59
Creditors	Freehold/Leasehold Property	0.00	0.10	0.00	0.00	0.00	0.00	0.10	24.00	240.00
	Unsecured Creditors	0.00	0.00	0.00	0.00	0.00	0.08	0.08	10.80	135.00
	Secured Creditors	6.87	34.65	0.00	0.00	0.00	0.00	41.52	11,830.15	284.93
	Legal / Litigation	5.60	116.32	0.00	0.00	0.00	0.00	121.92	31,408.20	257.61
Controllable	Billing & WIP Reviews	0.10	0.00	0.00	0.10	0.00	0.00	0.20	36.50	182.50
	Grand Total	45.54	239.04	0.30	9.30	0.31	0.74	295.23	78,788.50	266.87

Appendix X

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) as at 1 August 2005

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 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

Unless otherwise fixed in accordance with the Insolvency Act 1986, an Office Holder's fees are charged by reference to time costs, as incurred, 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.

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 attached guidance notes in relation to fees.

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 by BM Advisory

Meeting room hire	£200.00
Creditor portal (per report)	£10
Postage	£0.44 - £1.24
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.

BM ADVISORY (SOUTH) LIMITED

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 Specialists (R3) as at 1 August 2005

The following information applies to all appointments of partners or staff of BM Advisory (South) Limited, 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 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

Unless otherwise fixed in accordance with the Insolvency Act 1986, an Office Holder's fees are charged by reference to time costs, as incurred, 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 (South) Limited and such changes will be notified in retrospect with each report to Creditors. It is the policy of BM Advisory (South) Limited 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.

As at 6 August 2012 the rates applicable are

Grade	£
Partner	295 - 380
Associate/Senior Manager	290 - 350
Assistant Manager	270
Senior Administrator	110 - 240
Administrator	125 - 180
Cashier	100 - 110
Support staff	80 - 85

Rates vary between individuals, reflecting experience and qualification. For certain more complex tasks, BM Advisory (South) Limited 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 attached guidance notes in relation to fees.

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 (South) Limited, 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 (South) Limited 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 (South) Limited 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 by BM Advisory (South) Limited

Meeting room hire	£200.00
Creditor portal (per report)	£10.00
Postage	£0.44 - £1.24
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.