

# Liquidator's Progress Report

# S.192

Pursuant to Sections 92A and 104A and 192  
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

04494032

Name of Company

Nucleus Healthcare Limited

I / We

Andrew Pear, 82 St John Street, London, EC1M 4JN

Michael Solomons, 82 St John Street, London, EC1M 4JN

the liquidator(s) of the company attach a copy of my/our Progress Report  
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 01/05/2013 to 30/04/2014

Signed



Date

27/6/14

BM Advisory LLP  
82 St John Street  
London  
EC1M 4JN

Ref NUC003AP/AJP/MSES/MP/CL/AK

SATURDAY



A23 \*A3BHR812\*  
05/07/2014 #90  
COMPANIES HOUSE

**Nucleus Healthcare Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs	From 01/05/2013 To 30/04/2014
SECURED CREDITORS	
Palm European Investments LLC	10,000 00
	(10,000 00)
ASSET REALISATIONS	
Funds from Administration	42,485 08
Book Debts	5,053 13
Cash at Bank	3,500 00
	51,038 21
COST OF REALISATIONS	
Joint Administrators' Fees	(15,000 00)
Legal Fees	(6,125 00)
Debt Collection Agent's Commission	(386 01)
Agent's Fees - Investigatory Services	(950 00)
	(22,461 01)
	18,577 20
REPRESENTED BY	
Vat Receivable	4,492 20
Bank 1 Current	14,085 00
	18,577 20

Note

Andrew Pear  
Joint Liquidator

**NUCLEUS HEALTHCARE LIMITED – IN CREDITORS’ VOLUNTARY LIQUIDATION  
JOINT LIQUIDATORS’ PROGRESS REPORT TO MEMBERS AND CREDITORS DATED 30 APRIL 2014**

**STATUTORY INFORMATION**

Company name: Nucleus Healthcare Limited

Registered office: 82 St John Street, London, EC1M 4JN

Former registered office: 5th Floor, 15 Whitehall, London, SW1A 2DD

Former trading address: Celtic Springs Clinic, Spooner Close, Celtic Springs, Newport, NP10 8FZ

Registered number: 04494032

Joint Liquidators’ names: Andrew Pear and Michael Solomons

Joint Liquidators’ address: 82 St John Street, London, EC1M 4JN

Joint Liquidators’ date of appointment: 1 May 2013

The Joint Liquidators have acted jointly and severally in all matters relating to the Liquidation.

**BACKGROUND**

Michael Solomons and I were appointed as Joint Liquidators of Nucleus Healthcare Limited (“the Company”) on 1 May 2013. Mr Solomons and I previously acted as Joint Administrators of the Company, having been appointed by the Company directors on 25 October 2012. For details of the conduct of the Administration, please refer to our previous reports to creditors (copies of which are available upon request).

**CONDUCT OF LIQUIDATION**

**RECEIPTS AND PAYMENTS ACCOUNT**

Our receipts & payments account for the period from 1 May 2013 to 30 April 2014 is attached as **Appendix I**.

There have been no significant movements in the receipts and payments account since the reporting period end date.

Estate funds were banked into a designated client account at a UK bank and accordingly there is no account held by the Secretary of State to reconcile the attached report to.

**SECURED CREDITORS**

An examination of the Company’s mortgage register, held by the Registrar of Companies, showed that the Company granted the following charges:

Palm European Investments LLC  
Debenture (fixed and floating charge) - £3,052,581  
Created: 02/05/2012  
Registered: 05/05/2012

Finance Wales Investments (6) Limited  
Debenture (fixed and floating charge) - £360,000  
Created: 01/09/2010  
Registered: 07/09/2010

A security review has been undertaken and we are satisfied as to the validity of both debentures.

The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors.

During the period, the sum of £10,000 was paid to Palm European Investments LLC, however this was not paid from funds which would have otherwise been ring-fenced under the prescribed part, as the Joint Liquidators agreed to write off £10,000 of their time costs in order to facilitate this distribution of funds.

The Company's net property will be less than £10,000 and insolvency legislation does not require us to distribute the prescribed part of the net property to creditors if we think that the costs of a distribution would be disproportionate to the benefit to creditors. We are of the view that the costs would be disproportionate in this case, and as such will not be making a distribution of the prescribed part.

## **ASSETS**

### **Funds from Administration**

A surplus of £42,485.08 was available following the conclusion of the Administration. This was transferred to the Liquidation bank account on conversion to liquidation.

### **Book Debts**

The sum of £5,053.13 has been recovered in respect of outstanding balances on the Company's debtor ledger. These comprise sums due from former patients in respect of treatments carried out prior to the Company entering Administration.

Inksmoor Recoveries ("Inksmoor") were appointed to supervise the collection of the debtor balances. Details of the commission paid to Inksmoor can be found in the "Cost of Realisations" section of this report. Inksmoor have advised they do not anticipate that further sums will be recoverable.

### **Cash at Bank**

Residual funds of £3,500 were held in the Company's bank account, which were duly recovered. There are no further sums held, and therefore the facility has been closed.

## **COST OF REALISATIONS**

### **Joint Administrators' Fees**

It was agreed by resolution that the Joint Administrators were to be remunerated by reference to time properly spent by them and their staff in attending to matters arising from the Administration of the Company pursuant to rule 2.106(2)(b) of the Insolvency Act 1986 (as amended). The payment of £15,000 made to the former Joint Administrators represented their unpaid time costs as at the date of conversion to liquidation, and was in accordance with the preceding resolution.

### **Legal Fees**

Speechly Bircham LLP ("SBL") were instructed on a time cost basis to provide legal advice and assistance in respect of our investigations into the pre-appointment trading activity of the Company. SBL remain under the instruction of the Joint Liquidators, and further sums may be payable in due course depending on the outcome of our ongoing investigations.

## **Debt Collection Agent's Commission**

As previously stated, Inksmoor Recoveries were appointed to assist in the collection of the Company's outstanding debtor ledger. Inksmoor were paid a commission rate of 10% on recoveries made.

## **Agent's Fees – Investigatory Services**

We employed two agents to assist with our investigations into the pre appointment trading activity of the Company. Investigations are ongoing, and further sums may be payable in this respect.

The choice of professionals was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them. The fees charged have been reviewed and we are satisfied that they are reasonable in the circumstances of this case.

## **LIABILITIES**

### **Preferential creditors**

There have been no preferential claims received in the Liquidation. A dividend of 100p in the £ was paid to preferential creditors by the Joint Administrators prior to the conversion to liquidation.

### **Unsecured creditors**

Five claims from unsecured creditors totalling £295,881.20 have been received in the Liquidation. I have not taken steps to commence the formal adjudication of unsecured creditor claims.

### **Dividend Prospects**

Under Rule 11.7 of the Insolvency Rules 1986, notice is given that no dividend or further dividend is to be paid to creditors in this matter. The reason for this is that funds realised will be used to meet the costs and expenses of the Liquidation.

## **JOINT LIQUIDATORS' INVESTIGATIONS**

Prior to our appointment as Joint Liquidators, under the insolvency legislation the Joint Administrators had a duty to consider the conduct of those persons who had been directors, shadow directors or de facto directors of the Company at any time within three years preceding the Administration, and to consider whether any civil proceedings should be taken.

The Joint Administrators undertook an 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.

Within six months of the date of Administration, the Joint Administrators were required to submit a confidential report to the Secretary of State to include any matters which came to their attention during the course of their 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 a company.

The Joint Administrators' investigations into the pre appointment trading activities of the Company were ongoing at the date of conversion to liquidation, and as such we have continued these investigations. As at the date of this report, these investigations remain ongoing, however it is hoped that these will be concluded during the current accounting period.

The appropriate report by the Joint Administrators on the conduct of the directors was submitted to the Insolvency Service during the period of the Administration. An updated report on the conduct of the directors was submitted by the Joint Liquidators during the reporting period.

## JOINT LIQUIDATORS' REMUNERATION

In accordance with Rule 4.127 (5A) of the Insolvency Rules 1986, where a company which is in administration moves into liquidation under paragraph 83 of Schedule B1 to the Insolvency Act 1986 and the Joint Administrators become the Joint Liquidators, the basis upon which the Joint Liquidators are remunerated remains the same as the basis upon which the Joint Administrators were remunerated. As previously advised, it was agreed by resolution 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, this firm's charge out rates changed as of 1 March 2014. In order to comply with Statement of Insolvency Practice 9, we are required to provide stakeholders with the following information:

- The changes to charge out rates;
- Report the time costs incurred in the reporting period as hrs/£ at the old rate and hrs/£ at new rates, and,
- Provide separate time cost summaries for the period up to and after the rate change.

A schedule of our time costs for this reporting period is attached as **Appendix II**. A schedule showing the time costs incurred up to 28 February 2014 (the last day before the date of the change in charge out rates) is attached at **Appendix III**. A schedule of the time costs incurred from 1 March 2014 onwards is attached at **Appendix IV**.

Details of this firm's previous charge out rates, disbursement rates and an explanation of how fees were previously calculated are attached at **Appendix V**. Details of this firm's current charge out rates, disbursement rates and an explanation of how fees are currently calculated are attached as **Appendix VI**.

We have not drawn any remuneration during this reporting period. However, it is our intention to draw sums against the time costs we have incurred in due course.

A description of the routine work undertaken in the Liquidation to date is as follows:

### Administration and Planning

- Preparing the documentation and dealing with the formalities of our appointment
- Statutory notifications and advertising
- Dealing with all routine correspondence.
- Maintaining physical case files and electronic case details on IPS
- Case bordereau
- Case strategy planning.

### Cashiering

- Maintaining and managing the Joint Liquidators' cashbook and bank account
- Reconciliation of funds received post Administration to Liquidation bank account.
- Ensuring statutory lodgements and tax lodgement obligations are met

### Creditors

- Dealing with creditor correspondence and telephone conversations.
- Sending reports to creditors
- Maintaining creditor information on IPS.

### Investigations

- Review of pre appointment transactions and conduct of directors
- Liaising with legal agent in respect of pre appointment transactions requiring further investigations
- Liaising with associated parties in respect of pre appointment transactions
- Resubmission of report on conduct of directors to the Insolvency Service.
- Correspondence with Professional Bodies in relation to matters arising from Joint Liquidators' investigations
- Correspondence with agents and associated parties regarding potential asset recoveries.

### Realisation of Assets

- Corresponding with debt collection agent.
- Preparation and maintenance of debtor control schedule.
- Liaising with the Company's bank regarding the recovery of funds held and the closure of the account.
- Liaising with agent regarding potential Non Domestic Rates refund and excessive Rateable Value
- Discharging interest in former trading premises.

In addition to the routine work above, I have spent additional time as follows

- Corresponding with former patients in relation to treatments carried out by the Company which required follow up medical assistance
- Liaising with health insurance providers on behalf of patients requiring follow up medical assistance.
- Correspondence with NHS Wales regarding patients requiring follow up medical assistance and individual medical records.

Creditors will find a general guide to Liquidators' fees on the following website:

[http://www.r3.org.uk/media/documents/publications/professional/Guide\\_to\\_Liquidators\\_Fees.pdf](http://www.r3.org.uk/media/documents/publications/professional/Guide_to_Liquidators_Fees.pdf)

### JOINT LIQUIDATORS' DISBURSEMENTS

The basis upon which the Joint Administrators' were to be reimbursed for Category 2 disbursements was approved by creditor resolution. As previously stated, the basis upon which the Joint Liquidators are to be reimbursed for disbursements is fixed using the same method upon which the Joint Administrators were reimbursed. Category 1 disbursements do not need approval and can be drawn at the Joint Liquidators' discretion without authority.

My disbursements to 30 April 2014 amount to £174.75. I have not drawn any expenses during this reporting period, however it is my intention to draw sums against disbursements incurred but not yet paid during the current reporting period.

Below is a break down of disbursements incurred but not yet paid

	£	
Bonding	150.00	Category 1
Postage and Printing	24.75	Category 1 & 2
<b>Total</b>	<b><u>174.75</u></b>	

A secured creditor, or unsecured creditor with the permission of the Court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), may request further details of the Joint Liquidators' remuneration and expenses, within 21 days of receipt of this report.

A secured creditor, or unsecured creditor with the permission of the Court or with the concurrence of 10% in value of the creditors (including the creditor in question), may apply to Court to challenge the amount and/or basis of the Joint Liquidators' fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report.

### 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 instance at 82 St John Street, London, EC1M 4JN.

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 LLP 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, 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 [ip.complaints@insolvency.gsi.gov.uk](mailto:ip.complaints@insolvency.gsi.gov.uk), by phone 0845 602 9848 (call charges apply) or by post: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA. To make an online submission, or for further information please visit [www.gov.uk/complain-about-insolvency-practitioner](http://www.gov.uk/complain-about-insolvency-practitioner).

## **SUMMARY**

It is hoped that the ongoing investigations into the Company's pre appointment trading activity will conclude during the current reporting period. Therefore, it is hoped that the Liquidation can be brought to a conclusion before the next anniversary

We shall report again on the next anniversary of our appointment, or the closure of the Liquidation, whichever is sooner.

Should you have any queries regarding this report, please contact Calum Leslie on 0207 549 8009



**Andrew Pear**  
**Joint Liquidator**  
27 June 2014



**Nucleus Healthcare Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**  
**To 30/04/2014**

**Appendix I**

<b>S of A £</b>	<b>£</b>	<b>£</b>
SECURED CREDITORS		
Palm European Investments LLC	10,000.00	(10,000.00)
ASSET REALISATIONS		
Funds from Administration	42,485.08	
Book Debts	5,053.13	
Cash at Bank	3,500.00	51,038.21
COST OF REALISATIONS		
Joint Administrators' Fees	15,000.00	
Legal Fees	6,125.00	
Debt Collection Agent's Commission	386.01	
Agent's Fees - Investigatory Services	950.00	(22,461.01)
		<b>18,577.20</b>
REPRESENTED BY		
Vat Receivable		4,492.20
Bank 1 Current		14,085.00
		<b>18,577.20</b>

Note:

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Andrew Pear  
Joint Liquidator

## Nucleus Healthcare Limited - In Liquidation

Joint Liquidators' Time Costs  
For the Period

1 May 2013 to 30 April 2014

Classification of Work	Hours by Staff Grade						Grand Total	Total Cost £	Average Hry Rate £
	Partner	Senior Administrator	Junior Administrator	Administrator	Cashier	Senior Manager			
Administration and Planning	Work Analysis								
	Admin & Planning	0.60	5.40	0.00	29.10	0.00	37.30	6,397.00	171.50
	Case Accounting	0.00	4.20	1.70	4.10	2.05	12.25	2,060.25	168.18
	Partner Review	4.40	0.00	0.00	0.00	0.00	4.40	1,672.00	380.00
Asset Realisation	Partner/Manager Meetings	0.00	0.00	0.00	0.40	0.00	0.40	60.00	150.00
	Asset Realisation	2.20	7.50	0.00	19.30	0.00	29.30	5,283.00	180.31
	Freehold/Leasehold Property	0.00	0.00	0.00	5.00	0.00	7.10	1,359.00	191.41
Creditors	Unsecured Creditors	1.80	0.00	0.00	21.30	0.00	25.60	4,619.00	180.43
	Preferential Creditors	0.00	0.00	0.00	0.30	0.00	0.30	45.00	150.00
	Secured Creditors	0.30	0.00	0.00	2.30	0.00	2.60	499.00	176.54
Investigation	Investigatory Work	18.40	12.90	0.00	74.40	0.00	107.30	21,612.00	201.42
	Special Investigation	0.00	0.00	0.00	3.30	0.00	3.30	495.00	150.00
Legal and Litigation	Legal / Litigation	18.00	0.00	0.00	14.90	0.00	32.90	9,221.00	280.27
	Statutory Compliance	0.00	0.00	0.00	6.70	0.00	7.70	1,301.00	168.96
Trading	Statutory Reporting	0.30	0.00	0.00	0.00	0.00	0.30	114.00	380.00
	Trading	0.00	0.20	0.00	0.00	0.00	0.20	48.00	240.00
Grand Total		46.00	30.20	1.70	181.10	2.05	270.95	54,745.25	202.05

## Nucleus Healthcare Limited - In Liquidation

## Joint Liquidators' Time Costs

For the Period

1 May 2013 to 28 February 2014

Classification of Work	Work Analysis	Hours by Staff Grade						Grand Total	Total Cost £	Average Hly Rate £
		Partner	Senior Administrator	Junior Administrator	Administrator	Cashier	Senior Manager			
Administration and Planning	Admin & Planning	0.60	2.60	0.00	29.10	0.00	2.20	34.50	5,725.00	165.94
	Case Accounting	0.00	0.60	1.70	3.45	0.40	0.20	6.35	905.75	142.64
	Partner Review	4.40	0.00	0.00	0.00	0.00	0.00	4.40	1,672.00	380.00
	Partner/Manager Meetings	0.00	0.00	0.00	0.40	0.00	0.00	0.40	60.00	150.00
Asset Realisation	Asset Realisation	1.60	7.30	0.00	19.30	0.00	0.30	28.50	4,977.00	174.63
	Freehold/Leasehold Property	0.00	0.00	0.00	5.00	0.00	2.10	7.10	1,329.00	191.41
Creditors	Unsecured Creditors	1.50	0.00	0.00	21.30	0.00	2.50	25.30	4,490.00	177.47
	Preferential Creditors	0.00	0.00	0.00	0.30	0.00	0.00	0.30	45.00	150.00
	Secured Creditors	0.30	0.00	0.00	2.30	0.00	0.00	2.60	459.00	176.54
Investigation	Investigatory Work	18.00	2.40	0.00	74.40	0.00	1.60	96.40	18,920.00	196.27
	Special Investigation	0.00	0.00	0.00	3.30	0.00	0.00	3.30	495.00	150.00
Legal and Litigation	Legal / Litigation	16.10	0.00	0.00	14.90	0.00	0.00	31.00	8,404.00	271.10
Statutory Compliance	Statutory Compliance	0.00	0.00	0.00	6.70	0.00	1.00	7.70	1,301.00	168.96
	Statutory Reporting	0.30	0.00	0.00	0.00	0.00	0.00	0.30	114.00	380.00
Grand Total		42.80	12.90	1.70	160.45	0.40	9.90	248.15	48,926.75	197.17

## Nucleus Healthcare Limited - In Liquidation

Joint Liquidators' Time Costs  
For the Period

1 March 2014 to 30 April 2014

Classification of Work	Work Analysis	Hours by Staff Grade					Grand Total	Total Cost £	Average Hrry Rate £
		Partner	Senior Administrator	Administrator	Cashier				
Administration and Planning	Admin & Planning	0.00	2.80	0.00	0.00		2.80	672.00	240.00
	Case Accounting	0.00	3.60	0.65	1.65		5.90	1,154.50	195.68
Asset Realisation	Asset Realisation	0.60	0.20	0.00	0.00		0.80	306.00	382.50
Creditors	Unsecured Creditors	0.30	0.00	0.00	0.00		0.30	126.00	420.00
Investigation	Investigatory Work	0.40	10.50	0.00	0.00		10.90	2,692.00	245.97
Legal and Litigation	Legal / Litigation	1.90	0.00	0.00	0.00		1.90	817.00	430.00
Trading	Trading	0.00	0.20	0.00	0.00		0.20	48.00	240.00
Grand Total		3.20	17.30	0.65	1.65		22.80	5,818.50	255.20

**BM ADVISORY LLP****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 LLP, 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 LLP, and such changes will be notified in retrospect with each report to Creditors. It is the policy of BM Advisory LLP 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 1<sup>st</sup> March 2012 the rates applicable are

Grade	£
Partner	380
Associate	350
Manager	290
Assistant Manager	270
Senior Administrator	220
Administrator	180
Junior Administrator	125
Cashier	110
Support staff	80

Rates vary between individuals, reflecting experience and qualification. For certain more complex tasks, BM Advisory LLP 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 LLP, 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 LLP 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 LLP 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 LLP

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

### 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 1<sup>st</sup> 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