

The Insolvency Act 1986

Notice of move from Administration to Creditors' Voluntary Liquidation

2.34B

Name of Company

L Wear Limited – In Administration

Company number

05751717

In the

High Court of Justice**Chancery Division, Companies Court**

Court case number

1600 of 2007(a) Insert name(s) and
address(es) of
administrator(s)

We, Geoffrey Lambert Carton-Kelly and Michael David Rollings of Baker Tilly Restructuring and Recovery LLP, 5 Old Bailey, London, EC4M 7AF

(b) Insert name and address
of registered office of
company

having been appointed joint administrators of (b) L Wear Limited, 5 Old Bailey, London, EC4M 7AF

on 5 March 2007 by the directors of the Company

hereby give notice that

the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply,

and it is proposed that (e), Geoffrey Lambert Carton-Kelly and Michael David Rollings of Baker Tilly Restructuring and Recovery LLP, ^{5 Old Bailey, London, EC4M 7AF} will be the joint liquidators of the company

IP Numbers 008602 and 008107

We attach a copy of the final progress report

Signed

Wm Kelly
Joint Administrator

Dated

27/07/2007

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.

Baker Tilly Restructuring and Recovery LLP, 5 Old Bailey, London, EC4M 7AF

Tel 0207 002 8600

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

TUESDAY



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14/08/2007

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COMPANIES HOUSE

**IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION**

NO 1600 OF 2007

**IN THE MATTER OF
L WEAR LIMITED
AND
IN THE MATTER OF THE INSOLVENCY ACT 1986 (AS AMENDED)**

**ADMINISTRATORS' FINAL REPORT PURSUANT TO PARAGRAPH 80 OF
SCHEDULE B1 TO THE INSOLVENCY ACT 1986 (AS AMENDED) AND RULE 2.110
OF THE INSOLVENCY RULES 1986 (AS AMENDED)**

**G L CARTON-KELLY AND M D ROLLINGS
JOINT ADMINISTRATORS**



BAKER TILLY

**Baker Tilly Restructuring and Recovery LLP
5 Old Bailey
London
EC4M 7AF**

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FORM 2 24B ADMINISTRATORS' PROGRESS REPORT

FORM 2.34B NOTICE OF MOVING FROM ADMINISTRATION TO CREDITORS
VOLUNTARY LIQUIDATION

1. STATUTORY INFORMATION

This report and its appendices include the matters required to be disclosed under Rule 2.110 of the Insolvency Rules 1986 (as amended), and reflects a summary of the Administrators' actions in achieving the Administration objectives

Company Information

Company Name:	L Wear Limited
Former name:	Shoo 233 Limited (name changed 13 April 2006)
Principal Activity:	Clothing retailer
Company Number:	005751717
Date of Incorporation:	22 March 2006
Registered Office:	5 Old Bailey London EC4M 7AF
Former Head Office:	20 Little Portland Street London W1W 8AA

Administrators' Appointment

Administrators:	Geoffrey Lambert Carton-Kelly and Michael David Rollings Baker Tilly 5 Old Bailey London EC4M 7AF
Date of appointment:	5 March 2007
Appointed by:	Directors
Court Reference:	High Court of Justice, Chancery Division No 1600 of 2007

The Administrators' appointment specified that we would have power to act jointly and severally. We have exercised and will continue to exercise all of our functions jointly and severally.

1 STATUTORY INFORMATION (continued)

Directorships and Shareholdings

<u>Directors</u>	<u>Date of Appointment</u>
Christina M Bunce	13 April 2006
Mark S Evans	13 April 2006

Company Secretary

Michael C O'Rorke	13 April 2006
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Shareholders

The Company has authorised share capital of £500,000 Ordinary £1 shares all fully issued and £2,000,000 £1 Preference shares all of which have been fully issued.

		<u>No. of £1 Ordinary Issued</u>
Silverdog Investments Limited	Ordinary £1 shares	500,000
Silverdog Investments Limited	Preference £1 shares	2,000,000
		<u>2,500,000</u>

Companies House reflects that the issued share capital in the form of Preference shares is only £1 1m and not the £2 0m reflected above.

Secured Creditors

<u>Secured Lender</u>	<u>Charge</u>	<u>Created</u>	<u>Amount secured and short particulars</u>
Barclays Bank plc	Debenture	2 June 2006	Fixed and floating charge over the undertaking and all property and assets present and future including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant and machinery.
Freeport (Nominee 1) Limited and Freeport (Nominee 2) Limited	Licence	6 July 2006	£5,000 in respect of licence charges with full title guarantee
Freeport (Nominee 1) Limited and Freeport (Nominee 2) Limited	Licence	6 July 2006	£4,000 in respect of licence charges with full title guarantee

<u>Secured Lender</u>	<u>Charge</u>	<u>Created</u>	<u>Amount secured and short particulars</u>
HFO Street No 1 Limited and HFO No 2 Limited	Licence	6 July 2006	£4,000 in respect of licence charges
BMG (Bridgend) Limited	Trust Deed	1 November 2006	Fixed charge over the tenants interest in the deposit account
The Designer Retail Outlet Centres (York) Limited partnership acting by its general partner The Designer Retail Outlet Centres (York) General Partner Limited	Trust Deed	1 November 2006	The tenants in the deposit account
BMG (CO2) Limited	Trust Deed	1 November 2006	Fixed charge over the tenants interest in the deposit account
BMG (Ashford) Limited	Trust Deed	1 November 2006	Fixed charge over the tenants interest in the deposit account
Gunwharf Quays Limited	Rent Deposit Deed	3 November 2006	£11,750 due or to become due from the Company to the chargee against the rent deposit deed
Freeport (Nominee 1) Limited and Freeport (Nominee) Limited	Licence	15 December 2006	£5,000 due or to become due from the Company to the chargee against the rent deposit deed
Freeport (Nominee 1) Limited and Freeport (Nominee 2) Limited	Licence	15 December 2006	£4,000 due or to become due from the Company to the chargee against the rent deposit deed
Freeport (Nominee 1) Limited and Freeport (Nominee 2) Limited	Licence	15 December 2006	£4,000 due or to become due from the Company to the chargee against the rent deposit deed

2 EVENTS FOLLOWING THE ADMINISTRATION ORDER

As previously reported we have traded the business through four "Elle" outlets together with four Boundary Mills stores in order to maximise the value of stock. All outlet trading was completed by 24 June following which the outlets were closed and all staff retained to trade the business made redundant. The Boundary Mills stores have sufficient stock to trade until the end of July. This operation has no cost to the Administration

Despite previously reporting that there were two interested parties in obtaining the UK licence to manufacture and sell "Elle" branded clothing, no offers have been received. Any party wishing to take over the UK licence would now be required to liaise directly with Hachette Filipacchi Presse (Hachette) in order to obtain a new UK licence

Trading and stock

Upon appointment the Company's records suggested that stock levels were in the region of 200,000 units of clothing stock at a cost price of £1,669,446. As we have now completed the trading we consider that the actual stock quantity to have been in the region of 170,000 units at cost nearer to £1.4m.

We have a number of trading transactions to be settled by customers that are not yet recorded on our receipts and payments account. Although the receipts and payments account reflects sales of £1.1m, we would anticipate that final income from stock sales to increase by approximately £25,000 in respect of Boundary Mills trading through to the end of July. This will represent a return on stock of approximately 75 pence in the pound on cost based on our estimate of stock at the date of Administration of £1.4m.

A summary of the trading is enclosed in appendix A that reflects that we have made a trading surplus of £163,000 on a cash basis. We would expect the final trading surplus to reduce to approximately £108,000 taking account of cash owing from wholesale buyers and trading costs that are not reflected on our receipts and payments account.

Retention of Title claims

Of the four retention of title claims detailed in our last report, only one claim totalling £18,232.41 was valid and the supplier's goods were returned. The three suppliers whose claims had failed have the opportunity to submit unsecured claims in the liquidation in due course.

Book Debts – pre Administration

The Company had wholesale book debts at the date of appointment of £930,677. However, it was apparent that a number of book debt receipts and credit notes had not been processed onto the Company's accounting system prior to Administration and thus the true position of book debts was revised to £707,381 at the date of the last report. This has been further revised to £645,139 as a result of work carried out in the collection of book debts.

To date, we have collected £575,922 from wholesale debtors and have payment plans in place to recover the remaining £69,217. We have recovered the Company's one retail debtor totalling £362.

Book Debts – post Administration

Trading with wholesaler customers continued during the Administration. At the date of this report, a total of £3,935 is due from six customers. Our receipts and payments account does not reflect this income and hence will be included when received.

Other Debtors

At the date of Administration, the Company was owed £77,902 from Mr Charles O'Rourke, the former finance director. To date, we have received £12,000 from Mr O'Rourke and are liaising with his solicitors regarding the settlement of the remaining balance.

Cash at Bank

We have received £110,102.65 representing cash held at the Company's bank account at the date of appointment.

Rental deposits

The Company has rental deposits totalling £69,823 held with landlords of the trading premises. We have received £4,000 in respect of one deposit. Our agents consider that there will be no further recoveries from these deposits.

We have successfully surrendered the majority of the Company's leasehold trading properties in order to mitigate certain trading costs that would have been an ongoing cost to the Administration if we had not done so. There remain three properties where landlords have rejected our request for an informal surrender. Once in Liquidation the remaining three leases will be disclaimed.

Utilities and rates refunds

We have received refunds in respect of the closure of the trading properties for utilities and rates of £9,084 67 and £1,027 03 respectively.

Outlet takings – previously reported as Cash in hand

We have received £59,260.12 in respect of PDQ monies from sales made through the outlets, prime stores and concessions for the 4 days prior to the Administration.

Fixtures and fittings and computers and mannequins

Our agents have sold the fixtures and fittings and computers at head office realising £7,450. Ancillary fixtures and fittings from the stores realised a further £2,109.86 and we await settlement funds from the sale of mannequins of £1,750 which is not reflected in the receipts and payments account.

3. RECEIPTS AND PAYMENT ACCOUNT

A summary of the Administrators Receipts and Payments for the period from 5 March 2007 to 25 July 2007 is attached, at Appendix A that reflects a balance in hand of £631,575.26. There is a VAT liability to pay from trading of £29,334.15.

4 REMAINING ASSETS TO BE REALISED

Book Debts – Pre Administration

There are two collectable book debts remaining outstanding from the period prior to the commencement of the Administration totalling £69,216.16. Both debts are subject to payment plans and we would expect the remaining debts to be cleared by the end of August 2007.

Book Debts – Administration

We have book debts of £3,935 due to the Company from trading operations. A number of issues have arisen regarding the quality of the garments delivered and hence around a number of these debts are considered of doubtful recovery.

Fixtures and fittings - mannequins

There is one debt owed in respect of mannequins sold prior to the completion of trading totalling £2,056 25 that we expect to receive before the end of July 2007.

Debt due from Director -- Charles O'Rorke

Mr O'Rorke has paid £12,000.00 of the £77,902.10 owing to the Company at the date of Administration. Mr O'Rorke's solicitors have put forward a settlement offer in relation to the original debt of 32 57 pence in the pound. The matter is ongoing.

5 SECURED CREDITORS

Barclays Bank Plc

Barclays Bank plc holds a debenture conferring a fixed and floating charge over all the assets of the Company, however as the Company's bank account was not overdrawn at the commencement of the Administration the bank does not have a claim under its security.

Letter of Credit

We have settled one letter of credit totalling £9,187.38. As at 11 April 2007 the liabilities in respect of the remaining contingent letters of credit were fully discharged.

6 PREFERENTIAL CREDITORS

The Company had 277 employees at the date of Administration. There will be preferential creditor claims from the employees for arrears of wages and holiday pay due to the date of Administration together with a claim from the Redundancy Payments Office in respect of payments made by them for employee claimants.

The adjudication of the preferential claims is ongoing; however we estimate these claims to be in the region of £118,000. We anticipate that the preferential creditors will be paid in full within 3 months of converting the Administration to Liquidation.

7 UNSECURED CREDITORS

The unsecured creditor claims according to the Company's records total £2,605,427. To date we have received 269 claims totalling £1,668,934.82 and anticipate receiving further claims before a dividend is paid in Liquidation. The unsecured claims will be adjudicated by the Liquidators in due course.

A proof of debt form for creditors to submit their claims will be sent to creditors once the Company is in liquidation.

8 PRESCRIBED PART

The Barclays Bank plc (the Bank) debenture was registered after the introduction of the Enterprise Act 2002 (effective 15 September 2003) and thus the provisions of the Prescribed Part apply under Section 176A of the Insolvency Act 1986. However the Bank does not have a claim against the Company and thus there is no requirement to calculate the Prescribed Part.

9 ADMINISTRATORS' PROPOSALS AND END OF THE ADMINISTRATION

At a meeting of creditors held on 11 May 2007 our proposals were unanimously approved by the creditors of the Company and no creditors committee was formed.

As there are sufficient funds available for a dividend to the unsecured creditors we will be filing in Court a notice that the Company is moving from Administration to Creditors Voluntary Liquidation pursuant to paragraph 83 of Schedule B1 of the Insolvency Act 1986. In accordance with our approved proposals the Liquidators will be Geoffrey Carton-Kelly and Michael David Rollings of Baker Tilly Restructuring and Recovery LLP.

The proposals that were approved by the creditors without modification were as follows:-

Proposals

- i. The Administrators should continue to realise the assets of the Company upon the terms they consider to be the most beneficial to creditors of the Company, and commercially expedient.
- ii. The Administrators should arrange to distribute available funds from the realised assets to those creditors entitled to them in a timely manner.
- iii. The Administrators be authorised to make such application to Court for directions as they consider appropriate with a view to achieving the objectives set out in Section 10.
- iv. In the event that a Creditors' Committee is not established, that the Administrators' remuneration be taken on a time cost basis according to the complexity of the work undertaken at Baker Tilly's standard hourly rates and that such fees may be drawn on account.
- v. The Administrators be authorised to draw their costs based on time costs plus VAT and disbursements during the course of Administration and that the Administrators' Category 2 disbursements be approved at the rates detailed in Appendix E. Approval will also be sought from the secured creditors.
- vi. The Administrators propose that the Administration be brought to an end when all the property and assets have been realised and relevant distributions made to preferential creditors.
- vii. If a dividend is available to unsecured creditors, the Administrators may propose to end the Administration pursuant to Paragraph 83 by moving the Company into Creditors Voluntary Liquidation.
- viii. If no funds are available for a dividend to unsecured creditors, the exit from Administration will be to apply to dissolve the Company by filing appropriate form with the Registrar of the Companies pursuant to Paragraph 84 Schedule B1 of The Insolvency Act 1986 as amended.
- ix. Geoffrey Lambert Carton-Kelly and Michael David Rollings of Baker Tilly Restructuring and Recovery LLP to be appointed as Liquidators of the Company in the event that the exit route from Administration is by Liquidation.
- x. The Administrators of the Company be discharged from liability, pursuant to paragraph 98 of schedule B1 to the Insolvency Act 1986, in respect of any action of each or both of

them as Administrators 28 days after the cessation of their appointment as Administrators

10 ADMINISTRATORS' REMUNERATION

By approving our proposals the creditors approved the basis of our remuneration in that we should be remunerated on a time cost basis. Creditors also approved our disbursements, including Category II disbursements, in carrying out our duties as Administrators.

A total of 2,950.00 hours have been spent at a cost of £419,525.30 in the Administration, at an average hourly rate of £142.21. We have drawn a sum of £419,525.30 in respect of our time costs to 19 July 2007. The transfer from Administration to Liquidation will be determined when Companies House register our Form 2.34B. As a result there will be a short delay of up to 5 days where residual Administration costs will continue to be incurred. These costs will be drawn as Administration fees once the Company is formally in Liquidation.

We have also incurred disbursements, including category II disbursements, of £13,676.19 since our appointment which we have drawn in full. These are referred to in Appendix E.

We incurred a cost of £8,147 being 48.70 hours at an average hourly charge out rate of £167.29 for our time incurred prior to our appointment however this time has been written off.

As required by Statement of Insolvency Practice 9, the following is attached for your information:

- Appendix B – An analysis of time spent by the Administrators and their staff from the commencement of the Administration 5 March 2007 to 19 July 2007;
- Appendix C – Baker Tilly Restructuring and Recovery LLP - time charging, expenses and disbursement policy
- Appendix D – Baker Tilly Restructuring and Recovery LLP - charge out rate summary for London office;
- Appendix E – Summary of payments to Administrators and associated parties

11 EC REGULATIONS

It is considered that the EC Regulations will apply and that these proceedings will be main proceedings as defined in Article 3 of the EC Regulations as the centre of main interest of the Company is in England and Wales. This means that the Administration is to be conducted according to The Insolvency Act 1986.

L WEAR LIMITED - IN ADMINISTRATION ("the Company")

If you require any further information then, please, contact Catherine Walker at this office



**G L Carton-Kelly
Baker Tilly Restructuring and Recovery LLP
Joint Administrator**

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The affairs, business and property of the company are being managed by the Joint Administrators who act as agent for the company without personal liability.

Geoffrey Lambert Carton-Kelly is licensed to act as an Insolvency Practitioner by the Insolvency Practitioners' Association under Registration No. 8602.

Michael David Rollings is licensed to act as an Insolvency Practitioner by the Association of Chartered Certified Accountants under Registration No. 8107.

L WEAR LIMITED - IN ADMINISTRATION
RECEIPTS AND PAYMENTS ACCOUNT AS AT 25 JULY 2007

Appendix A

Trading Account for the period 5 March 2007 to 25 July 2007

	£
Sales	1,106,410 11
Purchases	(86,897.81)
Gross Profit:	1,019,512.30
Administrators' Fees	(261,619 50)
Royalty Commission - Hachette	(83,278 79)
Consultancy	(13,655 00)
Import Duties	(3,743.65)
Outlet Consumables	(1,975 10)
Postage	(120 80)
Property Security	(1,233 15)
Rates	(46,441 56)
Rent	(92,366 01)
Service Charges	(30,570 50)
Sundry expenses	(3,089 82)
Vehicle Hire	(3,813 64)
Staff Travelling Expenses	(1,793 80)
Telephone & Fax	(6,095 42)
Utilities	(1,384 12)
Wages & Salaries	(199,012 06)
Warehousing/Import Costs - Optimum	(21,524 96)
Warehousing/distribution costs - ICS	(84,625 73)
Total Trading Expenditure	(856,343 61)
Net Trading Surplus	163,168 69
ASSET REALISATIONS	£
Furniture and Equipment	9,559 86
Cash at Bank	110,102 65
Rates refund	1,027 03
Bank Interest	5,179 83
Outlet Cash In Hand	59,260 12
Trading Surplus	163,168 69
Rental Deposits	4,000 00
Utility refunds	9,084 67
Retail Debtors	361 55
Other Debtors	12,000 00
Wholesale Debtors	575,922 47
	<u>949,666 87</u>
COST OF REALISATIONS	
Bank Charges	(18,612 30)
Administrators' Fees	(157,905.80)
Administrators' Disbursements	(13,676.19)
Legal fees	(6,045 18)
Interest deducted at source	(513 96)
Agents costs	(19,000 00)
Letter of credit	(9,187.38)
Outlet and site clearance	(72,101.25)
Release of Lien	(49,415.74)
Statutory Advertising	(967.96)
Cost of Realisations	(347,425.76)
Net Surplus	<u>602,241.11</u>
REPRESENTED BY	
Cash at Bank	631,575.26
VAT Payable	(29,334.15)
	<u>602,241.11</u>

L WEAR LIMITED - IN ADMINISTRATION
POST-APPOINTMENT TIME
ANALYSIS OF TIME COSTS AS AT 19 JULY 2007

HOURS SPENT	Partners	Managers	Other Senior Professionals	Support Staff	Total Hours	Total Time Costs
Administration and Planning	11.6	63.6	275.5	8.1	358.8	£44,369.30
Investigations	0.0	13.9	0.3	0.0	14.2	£2,460.00
Realisation of Assets	5.2	268.8	174.4	4.2	452.6	£63,132.00
Trading	79.3	924.0	767.1	0.8	1771.2	£261,619.50
Creditors	16.5	84.3	239.3	3.4	343.5	£46,777.00
Case Specific Matters	0.00	3.90	5.80	0.00	9.7	£1,167.50
TOTAL HOURS	112.60	1,358.50	1,462.40	16.50	2,950.00	
TOTAL TIME COST	£44,116.50	£231,879.00	£142,485.20	£1,044.60		£419,525.30
AVERAGE COST	£391.80	£170.69	£97.43	£63.31		

BREAKDOWNAdministration and Planning**HOURS SPENT**

	Partners	Managers	Other Senior Professionals	Support Staff	Total Hours	Total Time Costs
Appointment	9.0	3.0	41.8	0.0	53.8	£8,037.50
Background information	0.0	14.9	3.4	0.6	18.9	£2,898.50
Case Management	2.6	33.9	93.1	5.0	134.6	£16,391.30
Pension Scheme	0.0	1.0	3.0	0.0	4.0	£600.00
Post-appointment taxation	0.0	2.3	0.0	0.0	2.3	£352.50
Pre-appointment matters	0.0	0.0	6.3	0.0	6.3	£824.00
Receipts and Payments	0.0	4.5	126.3	2.5	133.3	£14,502.50
Corres with Shareholder/Director	0.0	0.0	1.6	0.0	1.6	£148.00
Statement of Affairs	0.0	4.0	0.0	0.0	4.0	£615.00
Totals	11.6	63.6	275.5	8.1	358.8	£44,369.30

Investigations**HOURS SPENT**Investigations/CDDA**Totals**

	Partners	Managers	Other Senior Professionals	Support Staff	Total Hours	Total Time Costs
Investigations/CDDA	0.0	13.9	0.3	0.0	14.2	£2,460.00
Totals	0.0	13.9	0.3	0.0	14.2	£2,460.00

Realisation of Assets**HOURS SPENT**

	Partners	Managers	Other Senior Professionals	Support Staff	Total Hours	Total Time Costs
Chattels	0.0	21.6	27.0	3.5	52.1	£5,343.00
Debtors & sales finance	0.0	58.0	37.4	0.0	95.4	£13,722.00
HP/Leasing creditors	0.0	4.9	0.9	0.0	5.8	£933.50
Land and Property	2.0	27.2	30.6	0.2	60.0	£8,552.00
ROT/ Third Party Assets	1.0	7.5	1.9	0.0	10.4	£1,899.00
Sale of business	1.0	0.0	0.0	0.0	1.0	£395.00
Assets - general/other	1.2	149.6	76.6	0.5	227.9	£32,287.50
Totals	5.2	268.8	174.4	4.2	452.6	£63,132.00

Trading**HOURS SPENT**

	Partners	Managers	Other Senior Professionals	Support Staff	Total Hours	Total Time Costs
Case Management	0.0	1.4	0.0	0.0	1.4	£202.00
Receipts and Payments	0.0	7.2	174.8	0.8	182.8	£16,986.50
Trading	79.3	912.3	440.8	0.0	1432.4	£227,130.00
Employees	0.0	3.1	151.5	0.0	154.6	£17,301.00
Totals	79.3	924.0	767.1	0.8	1771.2	£261,619.50

Creditors**HOURS SPENT**

	Partners	Managers	Other Senior Professionals	Support Staff	Total Hours	Total Time Costs
1st creditors/shareholders meetings	0 5	32 2	3 4	0 0	36 1	£5,932 50
Employees	0 0	24 1	172 5	1 1	197 7	£23,227 50
Other Creditor Meetings and Reports	0 0	2 9	1 7	0 0	4 6	£666 50
Secured Creditors	7 0	0 0	2 9	0 0	9 9	£3,200 00
Unsecured Creditors	9 0	25 1	58 8	2 3	95 2	£13,750 50
Totals	16 5	84 3	239 3	3 4	343 5	£46,777 00

Case Specific Matters**HOURS SPENT**

	Partners	Managers	Other Senior Professionals	Support Staff	Total Hours	Total Time Costs
Legal Matters	0 00	1 00	1 40	0 00	2 40	£315 00
Major Issues - Employees	0 00	2 90	4 40	0 00	7 30	£852 50
Totals	0 00	3.90	5.80	0.00	9 70	£1,167.50

BAKER TILLY RESTRUCTURING AND RECOVERY LLP

CHARGING, EXPENSES AND DISBURSEMENTS POLICY STATEMENT

Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time.
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators.
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate.
- Time is recorded in 6-minute units.
- Time billed is subject to Value Added Tax (VAT) at the applicable rate.

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate.
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to creditors, but do not require creditors' approval prior to being drawn from the insolvency estate. These are known as "Category 1" disbursements.
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) require the approval of creditors prior to being drawn from the insolvency estate. These are known as "Category 2" disbursements.
- General office overheads are not re-charged to the insolvency estate as a disbursement.
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of creditors.
- Where applicable, expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate.
- Photocopying is recoverable at 10p per copy
- Postage is recoverable at actual cost.
- Motor expenses charged at 39.75p per mile.
- Travelling expenses recharged at actual cost.

CHARGE OUT RATE BANDS

	Charge out band as at date of appointment (£)	Charge out band as at date of current report (£)
Partners	350-395	350-395
Managers	105-275	105-275
Other Senior Professionals	40-125	40-125
Assistants & Support Staff	50-125	50-125

BAKER TILLY RESTRUCTURING AND RECOVERY LLP**SUMMARY OF PAYMENTS TO OFFICE HOLDER AND
ASSOCIATED PARTIES**

AMOUNTS PAID TO THE OFFICE-HOLDER'S FIRM	
TYPE AND PURPOSE	£
Baker Tilly Restructuring and Recovery LLP – Administrators fees – see appendix B	419,525 30
<i>Category I disbursements</i>	
Insolvency Bond	1,440 00
Courier	193 70
Hotel	1,458 05
Telephone	245 92
Travel – flights, train fares, car parking	2,168 71
Storage	406.46
Trading Expenses – Carrier bags	562 90
Professional Fees – Computer hard disc imaging	1,500 00
Repair to store at Croydon property	425 53
Locksmith disbursement	340 00
<i>Category II disbursements – appendix C</i>	
Travelling – Mileage	4,650 16
Subsistence	284 76
TOTAL	13,676.19

AMOUNTS PAID OR PAYABLE TO THE OFFICE-HOLDER'S AGENT	
TYPE AND PURPOSE	£
Colliers CRE: Lease surrenders on properties	19,000 00
Wyles Hardy: Chattel deposit, valuation report and warehouse visit	TBC
TOTAL	19,000.00

AMOUNTS PAID TO THE OFFICE-HOLDER'S SOLICITOR	
TYPE AND PURPOSE	£
Salans Solicitors: Advice in relation to appointment, dealing with bailiff issues, franchising agreement and retention of title claims	6,045.18
Total	6,045.18