

**2.17B**

The Insolvency Act 1986

**Statement of administrator's proposals**

Name of Company

Bournston (South Street) Limited

Company number

05967208

In the High Court of Justice,  
Chancery Division  
Birmingham District Registry

Court case number

6370 of 2012

We

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attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

27 July 2012

Signed



Joint Administrator

Dated

27.7.12

**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

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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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COMPANIES HOUSE

# Joint Administrators' Statement of Proposals

Bournston (South Street) Limited,  
Bournston (Stockton) Limited,  
Bournston (the Point at West Bridgford)  
Limited  
All in Administration

27 July 2012

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## 1 Statutory information

- 1.1 The respective entity names, registered numbers, incorporation dates and Administration court references for Bournston (South Street) Limited (South Street), Bournston (Stockton) Limited (Stockton), Bournston (the Point at West Bridgford) Limited (the Point) (together the Companies) are shown below

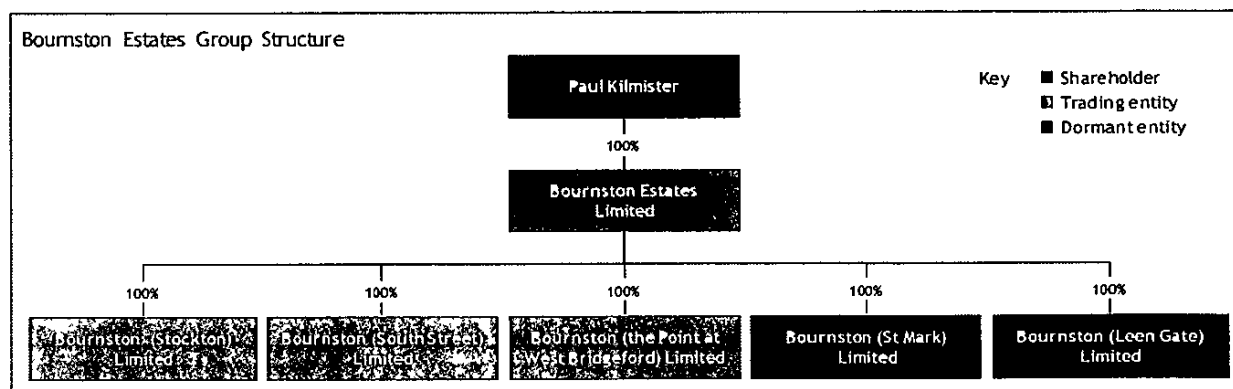
Company name	Registered number	Incorporation date	Court reference
Bournston (South Street) Limited	05967208	16 October 2006	6370 of 2012
Bournston (Stockton) Limited	06126332	23 February 2007	6371 of 2012
Bournston (the Point at West Bridgford) Limited	06216377	17 April 2007	6369 of 2012

- 1.2 The registered offices of the Companies has been changed from Ossington Chambers, 6-8 Castle Gate, Newark, Nottinghamshire NG24 1AX to c/o Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester M2 1AB

- 1.3 Details of the Companies' director and secretary at the date of appointment are as follows:

	Date appointed	Date resigned	Number of shares held
<b>Director - Paul Kilmister</b>			
South Street	16 October 2006	n/a	nil
Stockton	23 February 2007	n/a	nil
The Point	17 April 2007	n/a	nil
<b>Secretary - Christine Kilmister</b>			
South Street	1 September 2009	n/a	nil
Stockton	1 September 2009	n/a	nil
The Point	1 September 2009	n/a	nil

## 2 Background to the Administrations



- 2.1 A group structure chart is shown above. The parent company of each of the Companies is Bournston Estates Limited (BEL) (the Companies and BEL form the Group). Each of the Companies acts as a property development and investment company.
- 2.2 BEL acts as a holding company for the Companies and entered Administration on 24 February 2012. The Group has traditionally operated as a property developer, however, the recent economic climate has led to the Group holding onto its assets post development. Stockton and South Street own student accommodation blocks in Stockton and Loughborough, with 382 and 112 units respectively. The Point owns a commercial property in Nottingham with nine commercial units, seven of which are currently let. Each of the Companies are using managing agents to administer and oversee the day to day operations.
- 2.3 The Group is controlled by the Companies' director, Paul Kilmister (the **Director**), who is the sole shareholder of BEL. The Director also controls a number of other property development and investment companies (**Associated Companies**).
- 2.4 The construction of each development within the Companies was funded by development loans provided by AIB Group (UK) Plc (the **Bank**). In addition, the Bank further supported the Group via provision of an overdraft facility to BEL.
- 2.5 Each of the Companies has granted debentures and separate legal charges over the respective properties in favour of the Bank. The overdraft provided to BEL is secured via a debenture dated 23 December 2010 and all companies within the Group provide unlimited cross guarantees to one another.
- 2.6 The Bank's securities in respect of the Companies are as follows:

Company	Lender	Date created	Type of security
South Street	AIB Group (UK) Plc	26 March 2007	Mortgage Debenture
South Street	AIB Group (UK) Plc	21 December 2006	Legal Mortgage
South Street	AIB Group (UK) Plc	21 December 2006	Mortgage Debenture
Stockton	AIB Group (UK) Plc	30 July 2008	Legal Mortgage
Stockton	AIB Group (UK) Plc	1 March 2007	Mortgage Debenture
The Point	AIB Group (UK) Plc	20 June 2007	Legal Mortgage
The Point	AIB Group (UK) Plc	20 June 2007	Mortgage Debenture

- 2.7 As explained in the BEL Administrators' Statement of Proposals (the **BEL Proposals**) dated 16 April 2012, the Bank became concerned that following the establishment of profitable, sustainable rental income at both Stockton and South Street, the Group's cash flow continued to provide funding to the Associated Companies (which are primarily funded by other lenders).
- 2.8 In January 2012, the Bank introduced Zolfo Cooper to the Group to review the future cash flows of the Group and the Associated Companies. At this stage, the Associated Companies' indebtedness to the Group was over £1.6 million. Given the ongoing risk that further monies would be requested from the Group to fund the Associated Companies, the Director took steps to protect the Group's cash flows for the benefit of its creditors.
- 2.9 As a result, Ryan Grant and Simon Wilson, Insolvency Practitioners licensed in the UK, were appointed Joint Administrators of BEL by the Director on 24 February 2012. As stated in the BEL Proposals, the Administration strategy in respect of BEL was to collect funds from the Companies in order to reduce an overdraft provided by the Bank, with the Companies continuing to trade as normal.

- 2 10 During the Administration of BEL, a review of the Companies' cash flows prepared by the Director established that the Companies were insolvent. This was due to lack of cash generation to cover ongoing trading costs, overheads (which included an allocation of central overheads incurred together with the Associated Companies) and the required levels of capital expenditure.
- 2 11 Given the Companies' financial position, the Director took independent advice and concluded that the most appropriate course of action was to place the Companies into Administration.
- 2.12 As a result, Ryan Grant, Simon Wilson and Anne O'Keefe were appointed Joint Administrators of the Companies by the Director on 11 June 2012.
- 2 13 Ryan Grant, Simon Wilson and Anne O'Keefe are Insolvency Practitioners, licensed in the UK by the Insolvency Practitioners Association.
- 2 14 The Administrations are registered in the High Court of Justice, Chancery Division, Birmingham District Registry under the reference numbers shown in the table at paragraph 1.1.
- 2.15 The validity of the Companies' securities and validity of the three appointments have been confirmed by the Administrators' legal advisor, Squire Sanders (UK) LLP.
- 2.16 The EC Regulation on Insolvency Proceedings 2000 applies to the Administrations. The proceedings are main proceedings as defined by article 3 of the Regulation. The Companies are based in the United Kingdom.
- 2 17 In accordance with paragraph 100 (2) of schedule B1 of the Insolvency Act 1986, all functions of the Joint Administrators are to be exercised by any or all of the Joint Administrators.

### **3 Administration strategy and objective**

- 3 1 The Joint Administrators must perform their functions with the purpose of achieving one of the following objectives for each of the Companies:
- rescuing the company as a going concern, or
  - 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); or
  - realising property in order to make a distribution to one or more secured or preferential creditors
- 3.2 The first objective under the Administration regime is based on the survival of the existing Companies through a Company Voluntary Arrangement (CVA) or Scheme of Arrangement under part 26 of the Companies Act 2006. Due to the level of the secured debt and the cash requirement to fund a CVA, the Joint Administrators considered that the first objective could not be achieved.
- 3.3 The Joint Administrators are therefore pursuing the second objective for all three Companies, namely, achieving a better result for each of the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in Administration).
- 3 4 The strategy to achieve this objective is detailed below.

### **Bournston (South Street) Limited**

- 3.5 South Street owns The Foundry located in Loughborough, a 112 bed development which provides student accommodation.
- 3.6 Prior to the appointment of the Joint Administrators, the development was managed by Mezzino Limited (Mezzino), which is a company associated to the Director. Mezzino continue to manage the property on behalf of the Administrators, together with marketing to new tenants and collecting rent.
- 3.7 GVA Grimley Limited (GVA) have been engaged to oversee the management of the property, as well as to provide advice to the Joint Administrators in respect of the most appropriate disposal strategy. The Joint Administrators will continue to hold the property in the short term, whilst steps are taken to prepare the site for sale and collate appropriate information required to facilitate a marketing process. Further information regarding the disposal strategy will be provided in the next report to creditors.
- 3.8 Based on previously achieved occupancy levels, it is expected that the property will generate gross rental annual income of approximately of £0.51 million.

### **Bournston (Stockton) Limited**

- 3.9 Stockton owns Rialto Court a 382 bed student accommodation block, based in Stockton.
- 3.10 Mezzino also managed Rialto Court prior the Administration and have been retained to continue to provide managing agent services, on the same basis as South Street.
- 3.11 Prior to the Administration, Stockton held a nomination agreement with Durham University (Durham) whereby Durham agreed to refer 125 students to the property each year.
- 3.12 Prior to the Administration, Stockton was in negotiations with Durham to create a new nomination agreement for the entire 382 bedroom block. The Joint Administrators have continued negotiations with Durham and on 26 July 2012 agreed a four year nomination agreement, which guarantees all 382 rooms to Durham, which will generate an annual gross rental income of £1.825 million.
- 3.13 As at The Foundry, the Joint Administrators have engaged GVA to oversee the management of Rialto Court and provide advice in respect of the disposal strategy.
- 3.14 It is anticipated that Rialto Court will be held in the short term whilst the site is prepared for market. Further information regarding the disposal process will be provided in the next report to creditors.

### **Bournston (the Point at West Bridgford) Limited**

- 3.15 The Point owns a nine unit office facility located at The Point, Nottingham. At the date of the Joint Administrators' appointment seven of the nine units were let, generating gross annual rent of approximately £0.22 million.
- 3.16 The Joint Administrators have engaged David Price Associates (DPA) as managing agent to the property.
- 3.17 GVA have been instructed to provide advice in respect of letting the two remaining units to ensure occupancy levels and income are maximised during the Administration. GVA will also

review the existing portfolio of tenants to ensure that where possible leases are extended, and will also provide recommendations for the disposal strategy of the property.

- 3.18 As with South Street and Stockton, the Joint Administrators will use the interim holding period to prepare the site for market

## **4 Joint Administrators' receipts and payments**

- 4.1 A summary of receipts and payments for each of the Administrations from the date of the Joint Administrators' appointments to 26 July 2012 are attached at Appendix A.

### **Bournston (South Street) Limited**

- 4.2 The pre-appointment net rental income of £53,976 held by Mezzino (after deduction of agreed service charge) was requested by the Joint Administrators immediately following appointment. Since appointment Mezzino have requested additional service charge funding of approximately £15,000 to cover the remainder of the current academic year (to 31 August 2012). To date, the Joint Administrators have provided £6,500 of this requested additional service charge contribution
- 4.3 Since appointment, net rental income of £5,275 has been received.

### **Bournston (Stockton) Limited**

- 4.4 As per South Street, the Joint Administrators took control of the net rental income of £175,896 from Mezzino immediately upon appointment. Mezzino have requested additional service charge funding of approximately £105,000 to cover the remainder of the academic year and to date £71,469 has been paid to Mezzino
- 4.5 Since appointment, net rental income of £11,057 has been received

### **Bournston (the Point at West Bridgford) Limited**

- 4.6 Rental receipts at the Point are received in line with calendar quarter days. As at 12 July 2012 DPA are holding funds of £56,236. These relate to net rent collections achieved since 11 June 2012 and the majority of this amount is due to be transferred into the Joint Administrators account in due course

## **5 Financial position**

- 5.1 A statement of affairs for each of Companies has not yet been received, despite the Director being repeatedly reminded of his responsibilities in this regard. Attached at Appendix B are summaries of the Estimated Financial Position of the Companies as at 11 June 2012, together with a list of creditors' names and addresses, and details of their debts.
- 5.2 The Joint Administrators have the following observations to make in relation to the Estimated Financial Positions of the Companies:
- The Estimated Financial Positions are before provision for the costs of the Administrations
  - The Estimated to Realise figures cannot be disclosed at this time in order to avoid prejudicing any future asset realisations. The book values of the Companies' assets are



disclosed. However, no reliance should be placed upon these figures as a representation of the potential outcome in respect of future realisations.

- Rental income receipts have been confirmed by the Joint Administrators' legal advisors as being a fixed charge asset/realisation. However, the quantum of the estimated to realise net rental income has not been disclosed as the Joint Administrators do not know for how long the Administrations will trade for, or the exact level of the monthly/quarterly net rent that will be generated.
- The cash at bank figure of £90,592 with the Point is rent deposit, which is held in trust and does not represent a future realisation as it will be repayable to the respective tenant in due course or utilised to pay rent.
- The unsecured creditor figures are based on the Companies' books and records.
- The amounts due to the Bank are in respect of the debts at the date of the Joint Administrators' appointment and do not include interest and charges which will continue to accrue after this date.

## **6 Proposals**

- 6.1 It is proposed that the Joint Administrators continue to manage the affairs of the Companies in order to achieve the objectives of the Administrations. In the circumstances it is proposed that
- 6.2 The Joint Administrators will continue to trade the Companies in order to achieve the intended objective outlined above.
- 6.3 If having realised the assets of the Companies, the Joint Administrators think that a distribution will be made to the unsecured creditors of any of the Companies, they will file a notice with the Registrar of Companies which will have the effect of bringing the appointment of the Joint Administrators to an end and will move that company automatically into creditors' voluntary liquidation (CVL) in order that the distribution can be made. In these circumstances, it is proposed that the Joint Administrators will become the Joint Liquidators of the CVL and that in that event, any act required or authorised by the Joint Liquidators may be done by any or all of them. See Section 7 below on Exit routes for further information on this process.
- 6.4 If considered appropriate, the Joint Administrators will submit an application to court for approval to make the distribution to unsecured creditors in the Administration rather than move that company into CVL. If granted, that company will proceed to dissolution after the distribution has been made.
- 6.5 In the event that a dividend is available to unsecured creditors via the Unsecured Creditors' Fund only (see paragraph 10.6), and it is deemed uneconomical to distribute as the Joint Administrators think that the cost of making a distribution to unsecured creditors would be disproportionate to the benefits, an application to court will be made that the Unsecured Creditors' Fund does not apply.
- 6.6 If the Joint Administrators believe that there are matters which require further investigation and potential action by a subsequently appointed liquidator, but the circumstances do not allow them to move the Companies into CVL, or they do not consider it appropriate to do so, they will make an application to court for the respective Administration to be terminated, and for a winding up order to be made in respect of the relevant company.

- 6.7 If the Joint Administrators think that any of the Companies has no property which might permit a distribution to its unsecured creditors, they will file a notice with the court and the Registrar of Companies for the dissolution of that company. See Section 7 below on Exit routes for further information on this process.
- 6.8 The Joint Administrators shall perform all such other duties, and generally exercise all of their powers as contained in schedule 1 of the Insolvency Act 1986, as they consider desirable or expedient to achieve the statutory purpose of the Administrations.

## **7 Exit routes**

### **Creditors' voluntary liquidation**

- 7.1 If the Joint Administrators think a dividend will be paid to the unsecured creditors of any of the Companies, unless it is considered more appropriate for the distribution to be made in Administration and an application is submitted to court in this regard, the Joint Administrators will file a notice with the Registrar of Companies in order that the Administration of that company will cease and will move automatically into a CVL. It is proposed that the Joint Administrators will also become the Joint Liquidators of the CVL.
- 7.2 Creditors have the right to nominate an alternative liquidator of their choice. To do this, creditors must make their nomination in writing to the Joint Administrators prior to these Proposals being approved. Where this occurs, the Joint Administrators will advise creditors and provide the opportunity to vote. In the absence of a nomination, the Joint Administrators will automatically become the Joint Liquidators of any subsequent CVL.

### **Compulsory liquidation**

- 7.3 A liquidator of a company has greater powers to investigate, and if required, take action on behalf of the company to recover funds for the benefit of creditors, if prior to its insolvency transactions had been entered into by the company without commercial justifications, which diminished the net asset position of the company. If the Joint Administrators become aware of transactions requiring further investigation and potential action by a liquidator, and if funds are not available for unsecured creditors which would permit the Joint Administrators to exit into creditors' voluntary liquidation, they may make an application to court to end the Administration, and request that the court places any of the Companies into compulsory liquidation. The Joint Administrators will send notice of any such application to the affected company and its creditors.

### **Dissolution of the Companies**

- 7.4 If the Joint Administrators think that any of the Companies have no property which might permit a distribution to its unsecured creditors, they will file a notice together with their final progress report at court and with the Registrar of Companies for the dissolution of that company. The Joint Administrators will send copies of these documents to the respective company and its creditors. The appointment will end following the registration of the notice by the Registrar of Companies.

## Discharge from liability

- 7 5 Subject to the approval of the creditors, the Joint Administrators will be discharged from liability under paragraph 98 of schedule B1 to the Insolvency Act 1986 directly after their respective appointments as Joint Administrators cease to have effect

## 8 Pre-administration costs

- 8 1 Pre-appointment fees charged and expenses incurred by the Joint Administrators are as follows.

Company	Charged by	Brief description of services provided	Total amount charged £	Amount unpaid £
South Street	Zolfo Cooper	Strategic planning in respect of the Administration	9,511	9,511
South Street	Squire Sanders (UK) LLP	Legal advice in respect of the proposed Administration	5,544	5,544
			<b>15,055</b>	<b>15,055</b>
Stockton	Zolfo Cooper	Strategic planning in respect of the Administration	9,511	9,511
Stockton	Squire Sanders (UK) LLP	Legal advice in respect of the proposed Administration	5,544	5,544
			<b>15,055</b>	<b>15,055</b>
The Point	Zolfo Cooper	Strategic planning in respect of the Administration	9,510	9,510
The Point	Squire Sanders (UK) LLP	Legal advice in respect of the proposed Administration	5,544	5,544
			<b>15,054</b>	<b>15,054</b>

- 8.2 The costs incurred by Zolfo Cooper were subject to an agreement with the Bank following the Administration of BEL and was carried out on a time cost basis. The work was performed prior to the Administrations in order to provide advice in respect of the Companies' position and to understand the ultimate strategy to maximise the value of the Companies' assets, thereby furthering the objective of each Administration
- 8.3 The costs incurred by Squire Sanders (UK) LLP followed an instruction by Zolfo Cooper LLP, who engaged them on a time cost basis. The work was performed prior to the Administrations in order to ensure legal compliance was followed in determining the correct strategy for the Companies, again, furthering the objective of the Administrations.
- 8 4 Please note that the payment of unpaid pre-administration costs is subject to the approval of creditors, separately to the approval of the Joint Administrators' proposals. This approval will be the responsibility of the respective creditors' committee, if one is appointed. However, as the Joint Administrators think there will be no funds available to the unsecured creditors of the Companies, approval will be sought from the Bank in accordance with rule 2.67A of the Insolvency Rules 1986.

## 9 Joint Administrators' remuneration and disbursements

- 9.1 The basis of the Joint Administrators' remuneration may be fixed on one or more of the following bases, and different bases may be fixed for different duties performed by the Joint Administrators.
- a percentage of the value of the assets with which they have to deal; or
  - by reference to time properly spent by them and their staff dealing with matters arising in the Administration, or
  - as a set amount.
- 9.2 If a creditors' meeting is held, and creditors resolve to establish a committee, it shall as part of its duties determine the basis or bases of the Joint Administrators' remuneration and authorise their disbursements. The committee will assist the Joint Administrators in the conduct of their work
- 9.3 Where no creditors' committee is appointed, the remuneration of the Joint Administrators shall be fixed by reference to the time properly spent by the Joint Administrators and their staff on matters arising in the respective Administrations.
- 9.4 If there are no funds to distribute to unsecured creditors, other than by way of an Unsecured Creditors' Fund (see paragraph 10.6 and 10.7), it will fall upon the secured creditors to approve the Joint Administrators' remuneration. Separate approval will be sought from that creditor.
- 9.5 Subject to the approval of the creditors, the Joint Administrators will draw remuneration following approval of the basis of their remuneration and when funds are available.
- 9.6 The Joint Administrators' time costs at 26 July 2012 are shown at Appendix C and are summarised below

Company	Time costs £	Number of hours	Average rate, per hour £
South Street	18,680	84	222
Stockton	41,300	155	267
The Point	14,078	66	212

- 9.7 Principal areas of activity during the period are discussed in further detail below.
- **Administration and planning** - formulating and implementing the initial case strategies, complying with statutory duties and performing general administrative work. Case related treasury and support time is also recorded here.
  - **Realisation of assets - fixed charge** - formulating realisation strategies, gathering information and liaising with GVA and Mezzino. Time has also been incurred complying with security and insurance requirements at the properties, as well as dealing with interested parties.
  - **Trading - fixed charge** - preparing trading budgets and forecasts, liaising with suppliers and customers (Durham and other tenants, both existing and future) and overseeing the ongoing trading of the businesses. Treasury time relating to trading receipts and payments is also recorded here.
  - **Creditors** - notifying all creditors of the appointment, bank reporting and preparing statutory reports. Time has also been spent dealing with creditor correspondence and reporting to the secured creditor.

- 9.8 A copy of 'A Creditors' Guide to Administrators' Fees' can be downloaded from Zolfo Cooper's creditor portal (<http://www.zcinfoportal.com>) - click on **Creditors' Guide to Fees** in the menu on the left side of the screen. If you would prefer this to be sent to you in hard copy please contact the Joint Administrators and they will forward a copy to you. Attached at Appendix C are Time Analyses which provides details of the activity costs incurred by staff grade to the above date for each of the Companies. The Joint Administrators propose drawing fees in accordance with the proposals outlined above
- 9.9 The Joint Administrators intend to seek approval to draw disbursements which include an element of allocated cost, which are referred to in Statement of Insolvency Practice 9 as category 2 disbursements, and require authorisation in the same manner as the basis of their remuneration. Approval will be sought for the following category 2 disbursements:
- Photocopying - charged at the rate of 10 pence per sheet for notifications and reports to creditors and other copying
  - Printing - charged at the rate of 10 pence per sheet for black and white printing and 15 pence per sheet for colour
  - Business mileage for staff travel - charged at the rate of 45 pence per mile.
- 9.10 Attached at Appendix D is additional information in relation to the Joint Administrators' policy on staffing, the use of sub-contractors, disbursements and details of the current charge-out rates by staff grade

## 10 Estimated outcome

### Secured creditor - AIB Group (UK) Plc

- 10.1 A summary of the charges held by the Bank is shown at paragraph 2.6 and all the Bank debt is cross guaranteed across the Group companies, together with other assets within the Associated Companies
- 10.2 At the date of appointment the Bank was owed the following amounts in respect of the Companies. Interest and charges will continue to accrue during the Administrations

Company	Principal Bank indebtedness £000
South Street	5,571
Stockton	15,746
The Point	5,764
<b>Total</b>	<b>27,081</b>

- 10.3 The Bank's indebtedness in respect of BEL stood at approximately £674,000 (excluding interest and charges) at the date BEL entered Administration and is captured by the Bank's cross guarantees
- 10.4 Based on the overall Group position the Joint Administrators expected the Bank will suffer a shortfall in respect of its collective lending.

### Preferential creditors

- 10.5 There are no preferential creditors as the Companies did not employ any staff.

## **Unsecured Creditors' Fund**

- 10.6 Pursuant to Section 176A of the Insolvency Act 1986 where there is a floating charge which post-dates 15 September 2003, the Joint Administrators are required to create a fund from each of the Companies' net property available for the benefit of the unsecured creditors (**Unsecured Creditors' Fund**), which is commonly known as the 'prescribed part'
- 10.7 As the Companies granted a floating charge to the Bank after 15 September 2003, the Joint Administrators are required to create an Unsecured Creditors' Fund in each case. As there are no expected floating charge realisations in respect of the Companies, the Unsecured Creditors' Fund is not expected to apply

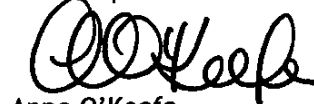
## **11 Next report**

- 11.1 The Joint Administrators are required to provide a progress report within one month of the end of the first six months of the Administration

## **12 Meeting of creditors**

- 12.1 Based on current information, the Joint Administrators think that the Companies have insufficient property to enable a distribution to be made to the unsecured creditors (other than by virtue of the Unsecured Creditors' Fund). In accordance with paragraph 52(1)(b) of Schedule B1 of the Insolvency Act 1986, an initial meeting of the Companies' creditors is therefore not being convened. However, the Joint Administrators are obliged to hold an initial creditors' meeting if 10% in value of the creditors request it. If you wish for a meeting to be held, you must notify us in writing in the prescribed form on or before 9 August 2012

For and on behalf of  
The Companies



Anne O'Keefe  
Joint Administrator

Encs

## Receipts and Payments Accounts for the period 11 June 2012 to 26 July 2012

## Appendix A

### Bournston (South Street) Limited

	11/06/2012 - 26/07/2012 £
<b>Fixed charge assets</b>	
<b>Receipts</b>	
Net rental income held on appointment	53,976
Net rental income	5,275
	<u>59,251</u>
<b>Payments</b>	
FY12 service charge payments	6,500
	<u>(6,500)</u>
<b>Balance</b>	<u>(52,751)</u>
<b>Represented by</b>	
Interest bearing account	52,751
	<u>52,751</u>

### Bournston (Stockton) Limited

	11/06/2012 - 26/07/2012 £
<b>Fixed charge assets</b>	
<b>Receipts</b>	
Net rental income held on appointment	175,896
Net rental income	11,057
	<u>186,953</u>
<b>Payments</b>	
FY12 service charge payments	71,469
Category 1 disbursements	
Mail re-direction	88
	<u>(71,557)</u>
<b>Balance</b>	<u>115,396</u>
<b>Represented by</b>	
Interest bearing account	115,378
VAT receivable	18
	<u>115,396</u>

**Receipts and Payments Accounts for the period  
11 June 2012 to 26 July 2012 (continued)**

**Appendix A**

**Bournston (the Point at West Bridgford) Limited**

	11/06/2012 - 26/07/2012
	£
<b>Fixed charge assets</b>	
<b>Receipts</b>	
	-
	-
<b>Payments</b>	
	-
	-
<b>Balance</b>	
	-
<b>Represented by</b>	
	-
	-
	-



## Appendix B

## ASSETS

Cash at bank

Book Value £	Estimated to Realise £
6,112,359	undisclosed
-	undisclosed
1	-
6,112,360	undisclosed
(5,570,752)	(5,570,752)
<b>541,608</b>	<b>undisclosed</b>
-	-
-	<b>undisclosed</b>
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	(489,390)
-	<b>undisclosed</b>

Key	Name	Address	£
CB00	Bournston Estates Limited	c/o Zolfo Cooper, The Zenith Building, 26 Spring Gardens Manchester, M2 1AB	484,750.00
CS00	Stephenson Nuttall and Co	Ossington Chambers, Castlegate, Newark, Nottingham, NG24 1AX	4,640.00
2 Entries Totalling			489,390.00

## Summary of the Estimated Financial Position of the Companies as at 11 June 2012 (continued)

## Appendix B

### Bournston (Stockton) Limited

<b>ASSETS</b>	<b>Book Value</b>	<b>Estimated to Realise</b>
	£	£
Assets subject to fixed charge		
Freehold property	16,754,387	undisclosed
Rental income	-	undisclosed
Cash at bank	58	-
	16,754,445	undisclosed
Less Amount due to the Bank		
Bank debt (excluding accruing interest and charges)	(15,746,301)	(15,746,301)
Surplus/shortfall under fixed charge	1,008,144	undisclosed
Assets subject to floating charge	-	-
<b>Estimated total assets available for preferential creditors</b>	-	undisclosed
<b>Preferential creditors</b>		
Preferential creditors	-	-
<b>Estimated surplus/deficiency as regards preferential creditors</b>		-
Estimated prescribed part of net property		-
<b>Estimated total assets available for floating charge holders</b>		-
Debts secured by floating charges		-
<b>Estimated deficiency of assets after floating charges</b>		-
Estimated prescribed part of net property where applicable (brought down)		-
<b>Total assets available to unsecured creditors</b>		-
Unsecured non-preferential claims		(756,135)
<b>Estimated deficiency as regards non-preferential creditors</b>		undisclosed

### Zolfo Cooper Bournston (Stockton) Limited B - Company Creditors

Key	Name	Address	£
CB00	Bournston Estates Limited	c/o Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	751,495 00
CS00	Stephenson Nuttall and Co	Ossington Chambers, Castlegate, Newark, Notts, NG24 1AX	4,640 00
<b>2 Entries Totalling</b>			<b>756,135 00</b>

## Summary of the Estimated Financial Position of the Companies as at 11 June 2012 (continued)

## Appendix B

### Bournston (the Point at West Bridgford) Limited

ASSETS	Book Value £	Estimated to Realise £
Assets subject to fixed charge		
Freehold property	4,214,195	undisclosed
Rental income	-	undisclosed
Cash at bank	90,592	-
	4,304,787	undisclosed
Less Amount due to the Bank		
Bank debt (excluding accruing interest and charges)	(5,763,500)	(5,763,500)
Surplus/shortfall under fixed charge	<b>(1,458,713)</b>	<b>undisclosed</b>
Assets subject to floating charge	-	-
Estimated total assets available for preferential creditors	-	<b>undisclosed</b>
Preferential creditors		
Preferential creditors	-	-
Estimated surplus/deficiency as regards preferential creditors		-
Estimated prescribed part of net property		-
Estimated total assets available for floating charge holders		-
Debts secured by floating charges		-
Estimated deficiency of assets after floating charges		-
Estimated prescribed part of net property where applicable (brought down)		-
Total assets available to unsecured creditors		-
Unsecured non-preferential claims		(48,334)
Estimated deficiency as regards non-preferential creditors		<b>undisclosed</b>

### Zolfo Cooper Bournston (the Point at West Bridgford) Limited B - Company Creditors

Key	Name	Address	£
CF00	Fast Graphics Ltd	7 Genies Parl, Midlands Way, Nottingham, NG7 3EF	295.20
CF01	Fisher Hargreaves and Proctor	10 Oxford Street, Nottingham, NG1 5BG	2,249.28
CD0	Innes England	2 The Triangle, Enterprise Way, NG2 Business Park, Nottingham, NG2 1AE	2,333.28
CR00	Rushcliffe Borough Council	Civic Centre, Pavilion Road, West Bridgford Nottingham, NG2 5FE	38,816.00
CS00	Stephenson Nuttall and Co	Ossington Chambers, Castlegate, Newark, Notts NG24 1AX	4,640.00
5 Entries Totalling			<b>48,333.76</b>

## Time Analyses for the period 11 June 2012 to 26 July 2012

## Appendix C

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
<b>Bournston (South Street) Limited</b>							
Administration and planning							
Planning	0.6	-		5.1	5.7	823.50	144
Strategy and control	2.4	8.4	3.5	2.7	17.0	4,278.50	252
Statutory duties	1.3		0.1	0.8	2.2	574.00	261
Case administration	0.1		0.9	4.1	5.1	727.50	143
Accounting and treasury	0.2		1.0	2.6	3.8	567.00	149
Travel and waiting time		2.5		2.0	4.5	892.50	198
Internal documentation	0.1		0.2	0.9	1.2	183.50	153
Investigations							
Director conduct reports			0.2		0.2	46.00	230
Realisation of assets - fixed charge							
Asset realisation strategy		3.7			3.7	980.50	265
Asset identification and valuation		-	2.7	0.2	2.9	644.00	222
Sale of assets	0.5	0.5			1.0	313.50	314
Trading - fixed charge							
Trading strategy	0.5	18.6		0.4	19.5	5,167.00	265
Trading activities	0.4	-		1.2	1.6	296.00	185
Accounting and administration	0.1	-		2.1	2.2	275.50	125
Creditors							
Reporting to creditors	1.3	1.3	5.3	2.4	10.3	2,320.00	225
Secured creditors	0.1	0.3	0.1	0.8	1.3	234.00	180
Unsecured creditors		-	1.1	0.5	1.6	310.50	194
Employees		-	0.2	-	0.2	46.00	230
<b>Totals</b>	<b>7.6</b>	<b>35.3</b>	<b>15.3</b>	<b>25.8</b>	<b>84.0</b>	<b>18,679.50</b>	<b>222</b>

## Time Analyses for the period 11 June 2012 to 26 July 2012 (continued)

## Appendix C

Bournston (Stockton) Limited	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
<b>Administration and planning</b>							
Planning	8.0	0.4		5.3	13.7	3,933.50	287
Strategy and control	2.4	10.7	3.2	2.8	19.1	4,830.50	253
Statutory duties	1.3	0.1	0.1	0.8	2.3	600.50	261
Case administration	0.1		0.9	4.7	5.7	796.50	140
Accounting and treasury	0.3		0.9	3.5	4.7	653.00	139
Travel and waiting time		5.0		2.0	7.0	1,555.00	222
Internal documentation	0.2		0.6	1.2	2.0	344.00	172
<b>Investigations</b>							
Director conduct reports	-	-	0.2		0.2	46.00	230
<b>Realisation of assets - fixed charge</b>							
Asset realisation strategy		13.8		-	13.8	3,657.00	265
Asset identification and valuation		0.3	3.0	0.2	3.5	792.50	226
Sale of assets	1.3		-		1.3	513.50	393
<b>Trading - fixed charge</b>							
Trading strategy	4.7	33.0	-	1.2	38.9	10,734.00	276
Trading activities	21.0			2.1	23.1	8,536.50	370
Accounting and administration	0.2	-		2.1	2.3	299.00	130
<b>Creditors</b>							
Reporting to creditors	2.9	1.3	5.4	3.1	12.7	3,050.00	240
Secured creditors	0.1	1.6	0.1	0.5	2.3	544.00	237
Unsecured creditors		-	1.1	1.0	2.1	368.00	175
Employees		-	0.2		0.2	46.00	230
<b>Totals</b>	<b>42.5</b>	<b>66.2</b>	<b>15.7</b>	<b>30.5</b>	<b>154.9</b>	<b>41,299.50</b>	<b>267</b>

## Time Analyses for the period 11 June 2012 to 26 July 2012 (continued)

## Appendix C

Bournston (the Point at West Bridgford) Limited	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
<b>Administration and planning</b>							
Planning	0.6			4.7	5.3	777.50	147
Strategy and control	2.5	8.6	3.2	3.1	17.4	4,342.50	250
Statutory duties	1.2		0.1	0.8	2.1	540.00	257
Case administration	0.1		0.9	4.2	5.2	743.00	143
Accounting and treasury	0.2		1.0	2.9	4.1	627.50	153
Travel and waiting time		2.0		2.0	4.0	760.00	190
Internal documentation	0.1		0.2	0.9	1.2	183.50	153
<b>Investigations</b>							
Director conduct reports		-	0.2		0.2	46.00	230
<b>Realisation of assets - fixed charge</b>							
Asset realisation strategy		3.2			3.2	848.00	265
Asset identification and valuation		-	2.7	0.2	2.9	644.00	222
<b>Trading - fixed charge</b>							
Trading strategy	0.1	5.2		0.9	6.2	1,521.00	245
Trading activities	0.1			0.9	1.0	143.00	143
Accounting and administration	0.1	-		1.1	1.2	160.50	134
<b>Reporting to creditors</b>							
Secured creditors	1.2	1.3	5.3	1.5	9.3	2,177.00	234
Unsecured creditors	0.1	0.2	0.1	0.8	1.2	207.50	173
Employees		-	1.1	0.5	1.6	310.50	194
			0.2		0.2	46.00	230
<b>Totals</b>	<b>6.3</b>	<b>20.5</b>	<b>15.0</b>	<b>24.5</b>	<b>66.3</b>	<b>14,077.50</b>	<b>212</b>

## **Additional information in relation to the Joint Administrators' remuneration pursuant to Statement of Insolvency Practice 9**

## **Appendix D**

### **1 Policy**

Detailed below is Zolfo Cooper's policy in relation to:

- staff allocation and the use of sub-contractors;
- professional advisors; and
- disbursements.

#### **1.1 Staff allocation and the use of sub-contractors**

The Joint Administrators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The case team will usually consist of a partner, a senior associate, an associate and an analyst. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Joint Administrators' charge-out rate schedule below provides details of all grades of staff and their experience level.

With regard to support staff, the Joint Administrators advise that time spent by our Treasury department in relation to specific tasks on an assignment is charged. The Joint Administrators only seek to charge and recover secretarial time if a large block of time is incurred, eg report compilation and distribution.

The Joint Administrators have not utilised the services of any sub-contractors in this case.

#### **1.2 Professional advisors**

On these assignments the Joint Administrators have used the professional advisors listed below. The Joint Administrators have also indicated the basis of their fee arrangement with them, which is subject to review on a regular basis.

Name of professional advisor	Basis of fee arrangement
Squire Sanders (UK) LLP (legal advice)	hourly rate and disbursements
Willis Limited (insurance)	risk based premium
Mezzino Limited (managing agent)	agreed monthly rates and disbursements
David Price Associates (managing agent)	agreed monthly rates and disbursements
GVA Grimley Limited (valuation and disposal advice)	hourly rate, fixed fees and disbursement varying by activity

The Joint Administrators' choice was based on their perception of the professional advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of their fee arrangement with them

### 1.3 Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by the Joint Administrators and their staff.

Category 2 disbursements do require prior approval by creditors before they are paid. If they are incurred, they will be drawn in accordance with the Joint Administrators' Proposals. Category 2 disbursements that may be incurred are as follows:

- Photocopying - charged at the rate of 10 pence per sheet for notifications and reports to creditors and other copying
- Printing - charged at the rate of 10 pence per sheet for black and white printing and 15 pence per sheet for colour.
- Business mileage for staff travel - charged at the rate of 45 pence per mile



## 2 Charge-out rates

A schedule of Zolfo Cooper charge-out rates for this assignment effective from 1 January 2011 is detailed below.

Description	£
<b>Partner/director</b>	
Partner 1*	445
Partner 2*	395
Director	340
<b>Senior associate</b>	
Senior associate 1*	315
Senior associate 2*	265
<b>Associate/analyst:</b>	
Associate	230
Analyst*	220
<b>Junior analyst and support staff</b>	
Junior analyst*	115
Senior treasury associate	155
Treasury associate	105
Treasury analyst	80
Support	75
<b>*Key</b>	
<i>Partner 1 - partners with three or more years' experience at partner level</i>	
<i>Partner 2 - partners with less than three years' experience at partner level</i>	
<i>Senior associate 1 - staff with two or more years' experience at senior associate level</i>	
<i>Senior associate 2 - staff with less than two years' experience at senior associate level</i>	
<i>Analyst - staff with more than one year's experience at analyst level</i>	
<i>Junior analyst - first year analysts</i>	