

The Insolvency Act 1986

Administrator's progress report

Name of Company Bournston (South Street) Limited	Company number 05967208
In the High Court of Justice, Birmingham District Registry (full name of court)	Court case number 6370 of 2012

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

We (a)

R K Grant
Zolfo Cooper
The Zenith Building
26 Spring Gardens
Manchester
M2 1AB

S Wilson and A C O'Keefe
Zolfo Cooper
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administrators of the above company attach a progress report for the period

(b) Insert date

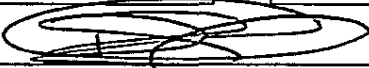
From

(b) 11 June 2012

To

(b) 10 December 2012

Signed


 Joint Administrator

Dated

09 JANUARY 2013

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

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Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

Joint Administrators' Progress Report for the period 11 June 2012 to 10 December 2012

Bournston Estates Limited and

Bournston (South Street) Limited
Bournston (Stockton) Limited
Bournston (the Point at West Bridgford)
Limited (the **Subsidiaries**)

All in Administration (together the
Companies)

9 January 2013

Bournston Estates Limited
 Bournston (South Street) Limited
 Bournston (Stockton) Limited
 Bournston (the Point at West Bridgford) Limited
 All in Administration (together the Companies)



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1 Statutory information

- 1.1 Ryan Grant was appointed Joint Administrator of Bournston Estates Limited (BEL) together with Simon Wilson on 24 February 2012 by the High Court of Justice. The application for the appointment of Joint Administrators was made by BEL's sole director, Paul Kilmister (the Director).
- 1.2 Subsequently, Ryan Grant was appointed Joint Administrator of Bournston (South Street) Limited (South Street), Bournston (Stockton) Limited (Stockton) and Bournston (the Point at West Bridgford) Limited (The Point), (together the Subsidiaries), together with Simon Wilson and Anne O'Keefe on 11 June 2012 by the High Court of Justice. As with the BEL appointment, the application for the appointment of Joint Administrators over the Subsidiaries was made by the Director, being their sole director.
- 1.3 The Administrations are being handled by Zolfo Cooper's Manchester office, situated at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB.
- 1.4 The trading address of the Companies was Ossington Chambers, 6-8 Castle Gate, Newark, Nottinghamshire, NG24 1AX.
- 1.5 The registered offices of the Companies have been changed to c/o Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB.
- 1.6 All Administrations are registered in the High Court of Justice, Chancery Division, Birmingham District Registry. The respective company names, registered numbers and Administration court references of the Companies are shown below:

Company name	Registered number	Court reference
Bournston Estates Limited	05176902	8104 of 2012
Bournston (South Street) Limited	05967208	6370 of 2012
Bournston (Stockton) Limited	06126332	6371 of 2012
Bournston (the Point at West Bridgford) Limited	06216377	6369 of 2012

- 1.7 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.

2 Progress of the Administrations

- 2.1 This report should be read in conjunction with the Joint Administrators' Statement of Proposals for BEL dated 16 April 2012 (BEL Proposals), the Joint Administrators' Progress Report for BEL dated 21 September 2012 (BEL Progress Report), and the Joint Administrators' Statement of Proposals for the Subsidiaries dated 27 July 2012 (Subsidiaries' Proposals)
- 2.2 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.

- 2.3 Further details of the objectives being pursued in the Administrations can be found below.

Bournston Estates Limited

- 2.4 Attached at Appendix A is the Joint Administrators' Receipts and Payments Account for the period 24 August 2012 to 10 December 2012, together with a Cumulative Receipts and Payments Account for the period 24 February 2012 to 10 December 2012.
- 2.5 The analysis of receipts and payments for the period excludes the following costs which have been incurred but not yet paid. All costs are expected to be settled prior to conclusion of the BEL Administration.

Cost category	Supplier	Amount not yet paid £
Solicitors' fees	Squire Sanders (UK) LLP	8,000
Total		8,000

- 2.6 As stated in the BEL Proposals and BEL Progress report, BEL's realisable assets are the inter-company loans, associated company loans and the shareholdings in the Subsidiaries. It was expected that the inter-company loans would be repaid from cash generation of the Subsidiaries and that the repayment of these loans would enable the Joint Administrators' objective of rescuing the Company as a going concern to be met.
- 2.7 However, whilst some repayments have been received from the Subsidiaries, a review of the Subsidiaries' cash flow forecasts prepared by the Director established that the Subsidiaries were insolvent. As a result, Ryan Grant, Simon Wilson and Anne O'Keefe were appointed Joint Administrators of the Subsidiaries by the Director on 11 June 2012.
- 2.8 The appointment of Joint Administrators over the Subsidiaries has meant that the objective of rescuing BEL as a going concern is no longer achievable. As such, the Joint Administrators are pursuing the second objective of achieving a better result for BEL's creditors as a whole than would be likely if BEL were wound up (without first being in administration).
- 2.9 Any further inter-company receipts into BEL are subject to the quantum of realisations achieved (including trading profits) from the Subsidiaries. The Joint Administrators' realisation strategies for the Subsidiaries were detailed in the Subsidiaries' Proposals and have been updated below.
- 2.10 As stated in the BEL Proposals, per the books and records of BEL, an associated company loan balance of approximately £1.6 million was due from Bournston Developments Limited (BDL). As at appointment, BDL was an associated company to the Companies as it was owned and controlled by the Director. The Administrators were informed in November 2012 that the Director had resigned from his directorship of BDL and had transferred his shareholding to a third party. Whilst the Director previously stated that this balance is not recoverable in the Statement of Affairs, the Joint Administrators remain in discussion with the new owner and director of BDL regarding proposals for repayment.

The Subsidiaries

- 2.11 Attached at Appendix B are the Joint Administrators' Receipts and Payments Accounts for the Subsidiaries for the period 11 June 2012 to 10 December 2012.
- 2.12 The analysis of receipts and payments for the period excludes the following costs which have been incurred but not yet paid. All costs are expected to be paid prior to the next progress report.

Company	Cost category	Supplier	Amount not yet paid £
South Street	Agent's fees	GVA Grimley Limited	31,452
South Street	Legal fees	Squire Sanders (UK) LLP	1,582
			33,034
Stockton	Agent's fees	GVA Grimley Limited	43,781
Stockton	Legal fees	Squire Sanders (UK) LLP	29,909
			67,690
The Point	Agent's fees	GVA Grimley Limited	11,200
The Point	Legal fees	Squire Sanders (UK) LLP	1,648
			12,848

2.13 As stated in the Subsidiaries' Proposals, the Joint Administrators are pursuing the second objective, namely, achieving a better result for each of the Subsidiaries' creditors as a whole than would be likely if the Subsidiaries were wound up (without first being in administration).

2.14 The strategies to achieve this objective are detailed below.

Bournston (South Street) Limited

2.15 South Street owns a 112 bed development located in Loughborough which provides student accommodation (the Foundry).

2.16 The day to day management of the Foundry continues to be undertaken by Mezzino Limited (Mezzino). Mezzino was a company associated to the Director. However, following the appointment of the Joint Administrators, the Director has not been involved in the management or operations of Mezzino and is no longer a director or shareholder of Mezzino. Mezzino continue to manage the Foundry on behalf of the Joint Administrators, together with marketing to new tenants and collecting rent.

2.17 GVA Grimley Limited (GVA) continue to oversee the management of the Foundry, as well as provide advice to the Joint Administrators in respect of the most appropriate disposal strategy.

2.18 Further to GVA's advice, a marketing process for the disposal of the Foundry commenced on 9 November 2012. GVA have undertaken an extensive marketing campaign encompassing online and press advertising, together with direct web mailings to known purchasers of this type of asset. As part of the marketing process, key financial and building information has been made available via a web portal to assist in the due diligence process for interested parties.

2.19 This process is still ongoing and our agents confirm there has been an encouraging level of interest in the property. Final offers are expected by 31 January 2013. The Joint Administrators will therefore be in position to update the creditors further with regard to offers received and the Joint Administrators' strategy in the next progress report.

2.20 Based upon current occupancy levels, it is expected that the Foundry will generate gross rental annual income of approximately £320,000 for the year ended 31 August 2013. This has fallen slightly when compared to previous estimates provided due to market factors impacting the occupancy levels achieved in the current academic year.

- 2.21 As at 10 December 2012, £165,680 of rental income had been received in relation to the 2012/13 academic year. Of this amount approximately £40,000 related to advanced 2013 rent.

Bournston (Stockton) Limited

- 2.22 Stockton owns a 382 bed student accommodation block based in Stockton (Rialto Court). Mezzino have also been retained to continue to provide managing agent services, on the same basis as South Street
- 2.23 As stated in the Subsidiaries' Proposals, the Joint Administrators agreed a four year nomination agreement with Durham University on 26 July 2012, which guarantees all 382 rooms to the university and an annual gross rental income of £1.825 million
- 2.24 As at 10 December 2012, £891,092 of rental income had been received in relation to the 2012/13 academic year. Of this amount approximately £314,000 related to advance 2013 rent.
- 2.25 As at the Foundry, the Joint Administrators have engaged GVA to oversee the management of Rialto Court and to provide advice in respect of the most appropriate disposal strategy.
- 2.26 Further to GVA's advice, the marketing process for Rialto Court was commenced concurrently with the Foundry. The process is being managed simultaneously in order to maximise realisations via a joint disposal or via individual sale of the two sites.
- 2.27 Similar to South Street, GVA are reporting an encouraging level of interest for Rialto Court, with final offers expected by the end of January 2013. Therefore, the Joint Administrators will be in position to provide a further update in the next progress report.

Bournston (the Point at West Bridgford) Limited

- 2.28 The Point owns a nine unit office facility located in West Bridgford, Nottingham. At the date of the Joint Administrators' appointment seven of the nine units were let, generating gross annual rent of approximately £220,000
- 2.29 On appointment, the Joint Administrators engaged David Price Associates (DPA) as managing agent of the property
- 2.30 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. Whilst interest has been received in letting the two remaining units, no further lets have been achieved to date. GVA have also reviewed the portfolio of existing tenants to explore potential extension of current leases, however, to date no extension have been agreed.
- 2.31 As with South Street and Stockton, GVA recommended that the property owned by The Point was taken to market. The Joint Administrators instructed GVA to commence a marketing process, for which the asset was taken to market on 29 October 2012. Whilst the property was marketed separately to the two student accommodation blocks, a similar process has been undertaken to that detailed above.

- 2.32 The marketing process generated over 30 expressions of interest, with six viewings being conducted. The Joint Administrators are currently undertaking negotiations for the sale of the property with the highest bidder. To avoid prejudicing the sale process no further details will be provided at this stage, but as with South Street and Stockton, the Joint Administrators will be in position to provide a further update to all creditors in the next progress report

3 Assets still to be realised

- 3.1 As noted in paragraph 2.9 further realisations in BEL are dependant on the level of realisations achieved from the Subsidiaries and recovery of the BDL loan
- 3.2 With the exception of the three property assets of the respective Subsidiaries and the trading profits expected to be generated by these properties, there are no further assets held by the Subsidiaries to recover.

4 Investigations

- 4.1 The Joint Administrators conducted investigations into the conduct of the Director and transactions entered into prior to the Companies' Insolvency, as required by the Companies Directors Disqualification Act 1986, and Statement of Insolvency Practice 2 - Investigations by Office Holders in Administrations and Insolvent Liquidations
- 4.2 A final report was submitted by the Joint Administrators with regards to the activities of the Director for BEL, whereas investigations into matters regarding the Subsidiaries are yet to be concluded.

5 Pre-administration costs

Bournston Estates Limited

- 5.1 The pre-administration costs of £10,873 plus disbursements were reported in the BEL Proposals and have been paid in full following approval by a meeting of creditors held by correspondence.

The Subsidiaries

- 5.2 Full details of the pre-administration fees for the Subsidiaries were disclosed in the Subsidiaries' Proposals. These fees have now been paid in full and details of which are found overleaf.

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

6 Joint Administrators' remuneration

Bournston Estates Limited

- 6.1 The relevant creditors approved at a meeting of creditors held by correspondence that the basis of the Joint Administrators' remuneration be fixed by reference to the time properly spent by the Joint Administrators and their staff on matters arising in the Administration.
- 6.2 The Joint Administrators' time costs in respect of BEL for the period 24 August 2012 to 10 December 2012 are £13,607. This represents 60 hours at an average rate of £226 per hour. Attached at Appendix C is a time analysis which provides details of the costs incurred by activity and by staff grade.
- 6.3 Approval of the Joint Administrators' remuneration has been sought in accordance with rule 2.106 of the Insolvency Rules 1986 as amended.
- 6.4 Principal areas of activity during the period are discussed in further detail below.
- Administration and planning - formulating and implementing the case strategy, complying with statutory duties and performing general administrative work. Case related treasury and support time is also recorded here.
 - Investigations - conducting investigations into the Director's conduct, together with BEL's dealings prior to the appointment of the Joint Administrators and the submission of a report to the Department for Business, Innovation and Skills pursuant to the Company Directors Disqualification Act 1986.
 - Realisation of assets - floating charge - reviewing the inter-company and associate company positions and communications regarding balances owed to BEL.
 - Creditors - preparing statutory reports, communicating with creditors and reporting to the secured creditor.
- 6.5 Also attached at Appendix D is a Cumulative Time Analysis for BEL for the period 24 February 2012 to 10 December 2012 which provides details of the costs incurred by activity and by staff grade since the Joint Administrators' appointment.

6.6 The Joint Administrators have drawn no fees to date in BEL.

The Subsidiaries

6.7 The secured creditor approved that the basis of the Joint Administrators' remuneration be fixed by reference to the time properly spent by the Joint Administrators and their staff on matters arising in the Administrations across the Subsidiaries.

6.8 Details of the Joint Administrators' time costs for the Subsidiaries for the period from 11 June 2012 to 10 December 2012 are detailed below:

Company	Number of hours	Average hourly rate	Total time cost
South Street	274	221	60,495
Stockton	431	244	104,919
The Point	184	214	39,230

6.9 Also attached at Appendix E are Time Analyses which provide details of the costs incurred by activity and by staff grade since the Joint Administrators' appointment for the Subsidiaries.

6.10 Approval of the Joint Administrators' remuneration has been sought in accordance with rule 2.106 of the Insolvency Rules 1986 as amended.

6.11 Principal areas of activity during the period are discussed in further detail below.

- **Administration and planning** - formulating and implementing the case strategy, complying with statutory duties and performing general administrative work. Case related treasury and support time is also recorded here.
- **Investigations** - conducting investigations into the Director's conduct, together with the Companies dealings prior to the appointment of the Joint Administrators and the submission of a report to the Department for Business, Innovation and Skills pursuant to the Company Directors Disqualification Act 1986.
- **Realisation of assets - fixed charge** - formulating a realisation strategy, liaising with GVA regarding the respective marketing processes. Time has also been incurred complying with security and insurance requirements at the various properties.
- **Trading - fixed charge** - preparing trading budgets and forecasts, liaising with suppliers and managing agents and reviewing the ongoing trading of the respective businesses. Treasury time relating to trading receipts and payments is also recorded here.
- **Creditors** - time has been incurred notifying all creditors of the appointment, preparing statutory reports and communicating with creditors. Time has also been spent dealing reporting to the secured creditor.

6.12 Below are details of remuneration drawn to date in the Subsidiaries:

Company	Fees drawn to date £	Category 1 disbursements £	Category 2 disbursements £
South Street	25,000	386	65
Stockton	45,000	1,057	179
The Point	15,000	388	31

- 6.13 The Joint Administrators can confirm that the only category 2 disbursement taken relates to photocopying which is charged at the rate of ten pence per sheet for notifications, reports to creditors and other copying.
- 6.14 Information in relation to the Joint Administrators' policy on staffing, the use of sub-contractors, payment of disbursements and details of current charge-out rates by staff grade is provided in Appendix F.

7 Estimated outcome for creditors

Bournston Estates Limited

Secured creditor - AIB Group (UK) Plc

- 7.1 The Company granted a fixed and floating charge to the secured creditor on 23 December 2010. At the date of appointment the secured creditor was owed £674,369 (excluding interest and charges) under its security. The secured creditor also holds security cover via cross guarantees provided by the Subsidiaries. It is estimated that the secured creditor is likely to suffer a shortfall on its lending.

Preferential creditors

- 7.2 BEL had no employees and as such, no preferential claims have been received or are anticipated.

Unsecured creditors

- 7.3 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 the Company's net property available for the benefit of unsecured creditors (Unsecured Creditors' Fund).
- 7.4 As the Company granted a floating charge to the secured creditor after 15 September 2003, the Joint Administrators are required to create an Unsecured Creditors' Fund. Based on present information, the Joint Administrators estimate the value of the Company's net floating charge property to be insufficient to enable a distribution to be made to this class of creditor.

The Subsidiaries

Secured creditor - AIB Group (UK) Plc

7.5 Below are details of the security held in the Subsidiaries by the secured creditor:

Company	Date created	Type of security
South Street	26 March 2007	Mortgage debenture
South Street	21 December 2006	Legal mortgage
South Street	21 December 2006	Mortgage debenture
Stockton	30 July 2008	Legal mortgage
Stockton	1 March 2007	Mortgage debenture
The Point	20 June 2007	Legal mortgage
The Point	20 June 2007	Mortgage debenture

7.6 The secured creditor also holds cross guarantees across each of the Companies.

7.7 At the date of the appointments the secured creditor was owed the following amounts (stated before accrued interest and charges):

Company	Bank indebtedness £000
South Street	5,571
Stockton	15,746
The Point	5,764
	27,081

7.8 Based on current information the secured creditor will suffer a shortfall on its lending.

Preferential creditors

7.9 The Subsidiaries had no employees and as such, no preferential claims have been received or are anticipated.

Unsecured creditors

7.10 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 the Company's net property available for the benefit of unsecured creditors (Unsecured Creditors' Fund).

7.11 As the Company granted a floating charge to the secured creditor after 15 September 2003, the Joint Administrators are required to create an Unsecured Creditors' Fund. Based on present information, as there are no expected floating charge realisations to be made in respect of the Subsidiaries, the Unsecured Creditors' Fund will not apply.

8 Ending the Administrations

Bournston Estates Limited

Extension

- 8.1 The Administration of BEL is due to end automatically on 23 February 2013. However, it will not be possible to conclude all outstanding matters in the Administration prior to this date.
- 8.2 Therefore, the Joint Administrators are seeking the approval of the secured and unsecured creditors for an extension to the Administration period of six months in accordance with paragraph 78 of schedule B1 of the Insolvency Act 1986.

Dissolution of the Company

- 8.3 Based on current information the Joint Administrators think that BEL has no property which might permit a distribution to its unsecured creditors and as such, they will file a notice together with their final progress report at court and with the Registrar of Companies for the dissolution of BEL. The Joint Administrators will send copies of these documents to BEL and its creditors. The appointment will end following the registration of the notice by the Registrar of Companies.

Compulsory liquidation of the Company

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

Creditors' voluntary liquidation

- 8.5 As mentioned in the BEL Progress report a CVL is no longer a viable exit route, as based on current information, the Joint Administrators do not think that a dividend will be paid to the unsecured creditors.

The Subsidiaries

Dissolution of the Subsidiaries

- 8.6 Based on current information the Joint Administrators think that the Subsidiaries have no property which might permit a distribution to their respective unsecured creditors and as such, they will file separate notices together with their final progress reports at court and with the Registrar of Companies for the dissolution of the Subsidiaries.

Compulsory liquidation of the Companies

- 8.7 As noted in paragraph 8.4, a liquidator of a company has greater powers to investigate, and if required, take action on behalf of a company to recover funds for the benefit of creditors. If this situation arises the Joint Administrators will send notice of any such application to the Subsidiaries and their creditors.

Creditors' voluntary liquidation

- 8.8 Based on current information, the Joint Administrators do not think that a dividend will be paid to the unsecured creditors. In light of this, exit by CVL will not be a viable option.

Discharge from liability

- 8.9 Please note that the Joint Administrators will be discharged from liability under paragraph 98 of schedule B1 to the Insolvency Act 1986 directly after their appointments as Joint Administrators cease to have effect.


9 Creditors' rights

- 9.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the agreement of at least 5% of the value of the unsecured creditors) may request in writing that the Joint Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.
- 9.2 Any secured creditor, or an unsecured creditor (with the agreement of at least 10% of the value of unsecured creditors) may, within eight weeks of receipt of this report, make an application to court on the grounds that the basis fixed for the Joint Administrators' remuneration is inappropriate, or that the remuneration charged or the expenses incurred by the Joint Administrators as set out in this report are excessive.

10 Next report

- 10.1 This report has been prepared as a progress report for the Subsidiaries and as an interim progress report to extend the Administration of BEL for six months. In the event that the request to extend the BEL Administration is approved, a further report will be circulated to all creditors of the Companies within one month of the next six month period ended 10 June 2013 or sooner if the Administrations have been finalised.

For and on behalf of
The Companies



Ryan Grant
Joint Administrator

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**Receipts and Payments Account for Bournston
 Estates Limited for the period 24 August 2012 to
 10 December 2012 and a Cumulative Account for
 the period 14 February 2012 to 10 December 2012**

Appendix A

Statement of Affairs	Period	Cumulative
£	£	£
Floating charge assets		
Receipts		
600,000 Rialto pre-app interco loan repayment	-	32,106
385,000 Foundry pre-app interco loan repayment	-	10,874
- TPWB pre-app interco loan repayment	-	9,000
Bank interest	190	364
	<u>190</u>	<u>52,344</u>
Payments		
Zolfo Cooper pre-appointment fees	10,873	10,873
Legal fees and disbursements	8,674	8,674
Data protection costs	35	35
Category 1 disbursement:		
Statutory advertising	184	184
	<u>(19,766)</u>	<u>(19,766)</u>
Balance	<u>(19,576)</u>	<u>32,578</u>
Represented by		
Interest bearing account		28,678
VAT receivable		3,900
		<u>32,578</u>

**Receipts and Payments Accounts for the
 Subsidiaries for the period 11 June 2012 to
 10 December 2012**

Appendix B

Bournston (South Street) Limited

	£
Fixed charge assets	
Receipts	
Rental income held on appointment	54,322
Rental income 11/12	12,202
Rental income 12/13	165,680
Bank interest	14
	<u>232,218</u>
Payments	
Service charge costs	78,834
Agents'/valuers' fees	3,493
Pre-appointment legal fees	5,544
Legal fees and disbursements	10,051
Data protection costs	35
Zolfo Cooper pre-appointment fees	9,511
Joint Administrators' fees	25,000
Category 1 disbursements:	
Telephone	29
Insolvency bond	30
Mail re-direction	220
Statutory advertising	107
Category 2 disbursements:	
Photocopying	65
Statement of affairs' costs	150
Irrecoverable VAT	9,956
	<u>(143,025)</u>
Floating charge assets	
Receipts	
Cash at bank	1
Bank interest	6
	<u>7</u>
Balance	<u>89,200</u>
Represented by	
Interest bearing accounts	89,200
	<u>89,200</u>

**Receipts and Payments Accounts for the
 Subsidiaries for the period 11 June 2012 to
 10 December 2012 (cont'd)**

Appendix B

Bournston (Stockton) Limited

	£
Fixed charge assets	
Receipts	
Rental income held on deposit	175,896
Rental income 11/12	39,654
Rental income 12/13	891,092
Bank interest	32
	<u>1,106,674</u>
Payments	
Service charge costs	315,283
Agents' fees	12,474
Building inspection and repair works	16,686
Pre-appointment legal fees	5,544
Legal fees and disbursements	31,570
Data protection costs	35
Zolfo Cooper pre-appointment fees	9,511
Joint Administrators' fees	45,000
Category 1 disbursements	
Telephone	16
Travel and subsistence	685
Mail re-direction	220
Category 2 disbursements	
Photocopying	179
Irrecoverable VAT	23,414
	<u>(460,617)</u>
Floating charge assets	
Receipts	
VAT refund	434
Cash at bank	58
Floating bank interest	4
	<u>496</u>
Payments	
Statement of affairs' costs	150
Category 1 disbursements	
Stationery and postage	14
Statutory advertising	92
Insolvency bond	30
Bank charges	3
	<u>(289)</u>
Balance	<u>646,264</u>
Represented by	
Interest bearing accounts	646,264
	<u>646,264</u>

**Receipts and Payments Accounts for the
 Subsidiaries for the period 11 June 2012 to
 10 December 2012 (cont'd)**

Appendix B

Bournston (the Point at West Bridgford) Limited

	£
Fixed charge assets	
Receipts	
Unit A and B year 5 rent in advance	90,592
Pre-appointment service charge held	22,725
Rental income held on appointment	11,056
Rental income	105,844
Bank interest	7
	<u>230,224</u>
Payments	
Service charge costs	29,146
DPA rent control account	15,610
DPA service charge control account	5,600
Legal fees and disbursements	5,495
Agents' fees	6,883
Advertising and marketing costs	1,552
Landlord costs	3,699
Data protection costs	35
Zolfo Cooper pre-appointment fees	9,510
Pre-appointment legal fees	5,544
Joint Administrators' fees	15,000
Category 1 disbursements	
Statutory advertising	77
Stationery and postage	12
Telephone	4
Travel and subsistence	45
Mail redirection	220
Category 2 disbursements	
Photocopying	31
	<u>(98,463)</u>
Floating charge assets	
Receipts	
Rates refund	2,307
Bank interest	53
	<u>2,360</u>
Payments	
Statement of affairs costs	200
Category 1 disbursements	
Insolvency bond	30
	<u>(230)</u>
Balance	<u><u>133,891</u></u>
Represented by	
Interest bearing accounts	43,299
Unit A and B rent account	90,592
	<u><u>133,891</u></u>

Time Analysis for Bournston Estates Limited for the period 24 August 2012 to 10 December 2012

Appendix C

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Planning	-	-	-	1.4	1.4	161.00	115
Strategy and control	4.0	-	1.8	0.2	6.0	1,999.00	333
Statutory duties	-	0.1	-	1.3	1.4	179.00	128
Case administration	0.4	-	0.7	3.0	4.1	684.00	167
Accounting and treasury	0.2	0.3	0.5	6.0	7.0	832.50	119
Internal documentation	0.1	0.7	0.2	0.5	1.5	326.50	218
Investigations							
Director conduct reports	2.4	0.8	3.8	0.4	7.6	2,054.00	270
Other investigations	-	0.9	-	2.1	3.0	480.00	160
Realisation of assets - fixed charge							
Asset realisation strategy	-	1.1	-	-	1.1	291.50	263
Asset identification and valuation	0.1	-	0.3	0.2	0.6	123.00	205
Asset accounting and administration	-	0.3	-	-	0.3	79.50	265
Realisation of assets - debtors							
Debt collection	0.2	-	-	-	0.2	79.00	395
Internal and external documentation	1.1	-	-	-	1.1	434.50	395
Realisation of assets - floating charge							
Asset realisation strategy	0.8	0.5	-	0.2	1.5	471.50	314
Sale of assets	0.2	-	-	-	0.2	79.00	395
Asset accounting and administration	0.1	0.2	-	2.3	2.6	337.50	130
Creditors							
Reporting to creditors	2.8	3.7	9.5	2.5	18.5	4,418.50	239
Secured creditors	0.4	1.2	-	-	1.6	476.00	298
Unsecured creditors	-	0.3	-	0.1	0.4	101.00	253
Totals	12.8	10.1	16.8	20.4	60.1	13,607.00	226

Please note the Joint Administrators have completed an exercise to re-allocate mis-posted time and as such, there may be a slight discrepancy in the individual totals provided here in comparison to previous reports

Cumulative Time Analysis for Bournston Estates Limited for the period 24 February 2012 to 10 December 2012

Appendix D

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Planning	-	2.3		5.3	7.6	1,272.00	163
Strategy and control	22.4	-	7.5	5.3	35.2	10,979.50	312
Statutory duties	0.1	1.1	4.4	4.7	10.3	1,846.00	179
Case administration	0.4	6.7	21.8	9.7	38.6	7,900.00	205
Accounting and treasury	0.4	2.4	0.8	23.6	27.2	3,359.00	123
Travel and waiting time		3.0		3.5	6.5	1,197.50	184
Internal documentation	0.2	1.4	3.1	2.2	6.9	1,379.50	200
Investigations							
Director conduct reports	2.4	2.5	5.2	2.2	12.3	2,996.50	244
Other investigations	5.2	0.9		36.2	42.3	6,455.50	153
Internal documentation	-	-	3.6	-	3.6	792.00	220
Realisation of assets - fixed charge							
Asset realisation strategy		6.3			6.3	1,669.50	265
Asset identification and valuation	0.2		0.3	0.2	0.7	157.00	224
Sale of assets	0.3			-	0.3	102.00	340
Asset accounting and administration		0.3		0.2	0.5	102.50	205
Realisation of assets - debtors							
Debt collection	0.2	-	-	1.5	1.7	251.50	148
Internal and external documentation	1.1	0.5		-	1.6	567.00	354
Realisation of assets - floating charge							
Asset realisation strategy	4.3	81.5		9.5	95.3	24,344.50	255
Asset identification and valuation	-	0.8	0.4	0.8	2.0	392.00	196
Sale of assets	0.3		0.2	0.2	0.7	182.00	260
Recovery of assets	-	-		0.3	0.3	34.50	115
Asset accounting and administration	1.2	2.8	-	11.5	15.5	2,420.00	156
Creditors							
Creditor claims	-	-	2.9	-	2.9	667.00	230
Reporting to creditors	21.9	12.9	13.5	7.7	56.0	15,538.00	277
Creditor meetings		0.2	-	-	0.2	53.00	265
Secured creditors	0.5	1.6	0.4		2.5	709.50	284
Unsecured creditors		1.8	2.6	0.3	4.7	1,095.50	233
Employees	-	0.1	-		0.1	26.50	265
Totals	61.1	129.3	66.7	124.9	382.0	86,485.50	226

Please note: the Joint Administrators have completed an exercise to re-allocate mis-posted time and as such, there may be a slight discrepancy in the individual totals provided here in comparison to previous reports

Bournston Estates Limited
 Bournston (South Street) Limited
 Bournston (Stockton) Limited
 Bournston (the Point at West Bridgford) Limited
 All in Administration (together the Companies)



Time Analyses for the Subsidiaries for the period 11 June 2012 to 10 December 2012

Appendix E

Bournston (South Street) Limited

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Planning	-	-		7.1	7.1	816.50	115
Strategy and control	8.4	8.4	6.1	4.5	27.4	7,408.00	270
Statutory duties	1.9	0.5	0.4	2.1	4.9	1,131.00	231
Case administration	0.4		1.4	7.3	9.1	1,312.50	144
Accounting and treasury	0.7	0.6	2.4	18.8	22.5	2,808.50	125
Travel and waiting time		2.5		2.0	4.5	892.50	198
Internal documentation	0.9	0.2	0.9	4.2	6.2	1,067.00	172
Investigations							
Director conduct reports	0.5	3.2	4.0	0.2	7.9	1,931.00	247
Other investigations	-	1.1		-	1.1	291.50	263
Internal documentation		-	0.2	-	0.2	44.00	220
Realisation of assets - fixed charge							
Asset realisation strategy	0.9	30.6		-	31.5	8,464.50	269
Asset identification and valuation		-	6.2	0.7	6.9	1,490.50	216
Sale of assets	3.3	1.3		0.2	4.8	1,454.50	305
Asset accounting and administration		0.2		0.7	0.9	161.50	179
Realisation of assets - debtors							
Debt collection				0.3	0.3	34.50	115
Trading - fixed charge							
Trading strategy	2.4	43.9		8.3	54.6	13,609.50	248
Trading activities	4.1	5.5	0.2	15.5	25.3	4,903.50	194
Accounting and administration	1.0			17.2	18.2	2,259.50	124
Creditors							
Reporting to creditors	6.9	3.1	7.3	3.9	21.2	5,614.00	265
Secured creditors	0.8	13.2	0.3	0.8	15.1	3,975.00	263
Unsecured creditors	-	0.2	1.1	2.2	3.5	559.00	160
Employees	-	-	0.2	-	0.2	46.00	230
Totals	32.4	114.5	30.7	96.0	273.6	60,494.50	221

Please note the Joint Administrators have completed an exercise to re-allocate mis-posted time and as such, there may be a slight discrepancy in the individual totals provided here in comparison to previous reports

**Time Analyses for the Subsidiaries for the period
 11 June 2012 to 10 December 2012 (cont'd)**

Appendix E

Bournston (Stockton) Limited

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Planning	-	-	-	7.6	7.6	992.00	131
Strategy and control	9.4	10.7	6.2	4.6	30.9	8,471.50	274
Statutory duties	1.9	0.6	0.4	2.1	5.0	1,157.50	232
Case administration	0.5	-	1.4	7.9	9.8	1,415.50	144
Accounting and treasury	0.8	1.3	2.6	24.3	29.0	3,588.00	124
Travel and waiting time	-	5.0	-	2.0	7.0	1,555.00	222
Internal documentation	0.8	0.3	1.4	7.0	9.5	1,490.00	157
Investigations							
Director conduct reports	7.8	2.9	4.0	0.2	14.9	4,755.00	319
Other investigations	-	1.2	-	-	1.2	318.00	265
Internal documentation	-	-	0.4	-	0.4	88.00	220
Realisation of assets - fixed charge							
Asset realisation strategy	2.2	63.6	0.4	0.6	66.8	17,880.00	268
Asset identification and valuation	-	0.2	5.9	0.1	6.2	1,409.50	227
Sale of assets	9.5	0.9	-	0.2	10.6	4,014.00	379
Asset accounting and administration	-	0.5	-	1.5	2.0	357.50	179
Trading - fixed charge							
Trading strategy	7.6	66.0	-	12.5	86.1	21,924.00	255
Trading activities	27.1	7.2	0.2	22.8	57.3	15,273.00	267
Accounting and administration	1.4	-	-	18.1	19.5	2,481.50	127
Creditors							
Reporting to creditors	18.1	3.3	7.4	9.3	38.1	10,545.00	277
Secured creditors	1.2	22.1	0.3	0.5	24.1	6,457.00	268
Unsecured creditors	-	0.3	1.1	3.2	4.6	700.50	152
Employees	-	-	0.2	-	0.2	46.00	230
Totals	88.3	186.1	31.9	124.5	430.8	104,918.50	244

Please note the Joint Administrators have completed an exercise to re-allocate mis-posted time and as such, there may be a slight discrepancy in the individual totals provided here in comparison to previous reports

**Time Analyses for the Subsidiaries for the period
 11 June 2012 to 10 December 2012 (cont'd)**

Appendix E

Bournston (the Point at West Bridgford) Limited

	Employee grade (hours)				Total hours	£	
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support		Total cost	Average rate per hour
Administration and planning							
Planning			-	5.2	5.2	598.00	115
Strategy and control	7.1	8.6	6.1	5.4	27.2	7,064.50	260
Statutory duties	1.6	0.5	0.4	2.1	4.6	1,029.00	224
Case administration	0.4		1.4	7.4	9.2	1,328.00	144
Accounting and treasury	0.7	3.4	2.0	18.8	24.9	3,496.00	140
Travel and waiting time		2.0		2.0	4.0	760.00	190
Internal documentation	0.4	0.2	0.6	3.8	5.0	776.50	155
Investigations							
Director conduct reports	0.4	2.9	3.9	0.2	7.4	1,809.00	244
Other investigations		1.0	-		1.0	265.00	265
Internal documentation	-		0.2		0.2	44.00	220
Realisation of assets - fixed charge							
Asset realisation strategy	1.2	15.3			16.5	4,523.00	274
Asset identification and valuation			5.8	0.9	6.7	1,421.50	212
Sale of assets	1.6	2.2		0.2	4.0	1,238.00	310
Asset accounting and administration	-	0.4		1.4	1.8	263.50	146
Trading - fixed charge							
Trading strategy	0.8	9.3		4.2	14.3	3,263.50	228
Trading activities	0.1	4.5		3.7	8.3	1,637.50	200
Accounting and administration	0.6	-		10.4	11.0	1,298.00	118
Creditors							
Reporting to creditors	5.7	3.1	7.3	2.5	18.6	4,979.00	268
Secured creditors	0.6	9.8	0.3	0.8	11.5	2,995.00	260
Unsecured creditors		0.2	1.1	0.6	1.9	375.00	197
Employees			0.2		0.2	44.00	230
Totals	21.2	63.4	29.3	69.6	183.5	39,230.00	214

Please note: the Joint Administrators have completed an exercise to re-allocate m/s-posted time and as such, there may be a slight discrepancy in the individual totals provided here in comparison to previous reports

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

Appendix F

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, time spent by treasury in relation to specific tasks on an assignment is charged but secretarial time is only recovered 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 this assignment 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 agents)	Agreed monthly rates and disbursements
GVA Grimley Limited (valuation and disposal advice)	Hourly rate, fixed fees and disbursements 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 eg postage, case advertising, invoiced travel and external printing, room hire and document storage. Any properly reimbursed expenses incurred by the Joint Administrators and their staff will also be chargeable.

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 resolution approved by creditors. Category 2 disbursements that may be incurred are as follows.

- Photocopying - charged at the rate of ten pence per sheet for notifications and reports to creditors and other copying.
- Printing - charged at the rate of ten 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. Time is charged by partners and staff in units of six minutes

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