

The Insolvency Act 1986

Statement of administrator's proposals**2.17B**

Name of Company Borderbeach Limited	Company number 06387396
In the High Court of Justice, Chancery Division, Companies Court <small>[full name of court]</small>	Court case number 16545 of 2009

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

1. We (a) Shay Bannon and Sarah Rayment of BDO Stoy Hayward LLP, 55 Baker Street, London, W1U 7EU.

*Delete as applicable


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

(b) Insert date

(b) 11 September 2009

Signed



Dated

11/09/09**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

BDO Stoy Hayward LLP, 55 Baker Street, London, W1U 7EU.Our Ref **MJC/NJA/BORDER/C15**Tel **020 7893 2146**

DX Number

DX Exchange



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COMPANIES HOUSE

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



BDO Stoy Hayward LLP
Chartered Accountants

55 Baker Street London W1U 7EU
Telephone: +44 (0)20 7486 5888
Facsimile: +44 (0)20 7935 3944
DX 9025 West End W1
Website: www.bdo.co.uk

Private and Confidential

11 September 2009

Our Ref MJC/NJA/BORDER/C6

Please ask for
Warren Epstein
020 7893 2146

TO ALL CREDITORS AND MEMBERS

Dear Sirs

Borderbeach Limited - In Administration ("the company")

I refer to the appointment of Shay Bannon and myself as Joint Administrators of the company on 20 July 2009.

I attach a statement to creditors pursuant to Rule 2.33 of the Insolvency Rules 1986, which incorporates a statement of proposals under Paragraph 49 of Schedule B1 of the Insolvency Act 1986. Additionally I provide a report setting out the work undertaken by the Administrators to date, incorporating details of my firm's policies regarding fees and "A Creditors' Guide to Administrators' Fees".

Based on current information there will be insufficient assets to enable us to make a distribution to the company's unsecured creditors. I therefore do not propose to call a meeting of creditors. However, under paragraph 52 of Schedule B1 of the Insolvency Act 1986, if at least 10% of creditors require us to call a meeting they must notify us using the attached Form 2.21B by 23 September 2009. Please note that before such a meeting can be held, we will require a deposit towards the cost of convening a meeting. Such a deposit may be repaid subject to the approval of the other creditors.

Yours faithfully
For and on behalf of
Borderbeach Limited

Sarah Rayment
Joint Administrator
Authorised by the Insolvency Practitioners Association

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Borderbeach Limited
In Administration

Statement to Creditors pursuant to Rule
2.33 of the Insolvency Rules 1986 and
Statement of Proposals under Paragraph 49
of Schedule B1 of the Insolvency Act 1986

MIC/NJA/BORDER/C6

BDO Stoy Hayward LLP

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BORDERBEACH LIMITED - IN ADMINISTRATION

Registered No. 06387396

Registered office situated at BDO Stoy Hayward LLP, 55 Baker Street, London, W1U 7EU

In the High Court of Justice, Chancery Division, Companies Court
16545 of 2009

1 Introduction

- 1.1 This report is addressed to the creditors of Borderbeach Limited ("the company") and incorporates the Joint Administrators' proposals. Neither of the objectives in paragraph 3(1)(a) or (b) of Schedule B1 of the Insolvency Act 1986 can be achieved in respect of the company (see section 5 below) and consequently we do not propose to call a meeting of creditors to consider our proposals. There will be insufficient assets to enable us to make any distribution to unsecured creditors.
- 1.2 Under Paragraph 52 of Schedule B1 of the Insolvency Act 1986, if at least 10% of creditors require us to call a meeting they must notify us using form 2.21B (attached) by 23 September 2009. Please note that before such a meeting can be held we will require a deposit towards the cost of convening the meeting. Such deposit may be repaid subject to the approval of the other creditors. Where no creditors' meeting is held to consider the Joint Administrators' proposals, the proposals will have been deemed to be approved.
- 1.3 If a meeting of creditors is held, the creditors may approve the proposals with or without modifications subject to the Joint Administrators' agreement to any such modifications. If the creditors reject the Joint Administrators' proposals a report will be sent to the High Court of Justice confirming that the creditors have rejected the proposals. The Court may then discharge the administration and make consequential directions. Alternatively, it may adjourn the hearing or make some other Order as it thinks fit.
- 1.4 If the Joint Administrators' proposals are agreed at the meeting of creditors the Joint Administrators will continue to control the business of the company to the extent that it has not been transferred. The Joint Administrators would at some later date arrange for the company to exit from the administration, as agreed by the creditors. Based on the information presently available and the current situation the Joint Administrators' proposal is that the company will either be dissolved once the Administration is complete or, if so advised by solicitors, the company will move from Administration to Creditors' Voluntary Liquidation or Compulsory Liquidation.

2 Events leading up to the Appointment of the Joint Administrators

- 2.1 The company was incorporated on 2 October 2007.
- 2.2 The company was set up as a property development company, with the intention to acquire and sell (and / or possibly develop) its freehold site at Nacton Road, Ipswich.

- 2.3 Finance for the development was provided by The Bank of Scotland Plc ("the Bank"). The Bank holds a fixed and floating charge over the assets of the company under a debenture created on 11 December 2007 and registered at Companies House on 13 December 2007.
- 2.4 Following cash flow difficulties with the development, the Bank, being a Qualifying Floating Charge Holder pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 appointed Joint Administrators, Shay Bannon and Sarah Rayment on 20 July 2009.
- 2.5 The Joint Administrators are authorised to carry out any act or function either jointly or alone pursuant to paragraph 100(2) of Schedule B1 of the Insolvency Act 1986.
- 2.6 At Appendix 1 is a record of the names of the company's directors and company secretary together with details of the shareholders.

3 Statement of Affairs and statutory information

- 3.1 The director has submitted a statement of affairs although it has not been sufficiently completed and is not suitable for statutory filing or circulation amongst creditors. We are in consultation with the director with a view to receiving a more detailed statement in due course.
- 3.2 In the absence of a formal statement of affairs, we attach at Appendix 2 to this report an estimated financial statement detailing the company's assets and liabilities. Please note that this statement does not include the costs of the Administration.

4 Prescribed Part

- 4.1 Under the provisions of Section 176A of the Insolvency Act 1986 the Joint Administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where the company has granted a floating charge to a creditor after 15 September 2003, as has happened in this case.
- 4.2 Unfortunately, based on current information, the realisations under the floating charge are likely to be minimal. Accordingly, there will be no funds available for distribution to unsecured creditors in this matter.

5 Achieving the purpose of the Administration

- 5.1 The statutory purpose of an Administration consists of three objectives, and we now address the progress that has been made in this respect.
- (a) The first objective is the rescuing of the company as a going concern (i.e. restructuring the company's business, resulting in the survival of the company). We would comment that the company had ceased to trade prior

to the appointment of Administrators and as such, this objective could not be achieved.

- (b) With regard to the second objective of 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), the position is that this objective cannot be achieved as the vast majority of the assets are subject to fixed charge security.
- (c) The final objective is realising property in order to make a distribution to one or more secured or preferential creditors. In this case it will, unfortunately, only be possible to make fixed charge distributions to the secured creditor.

6 Management of the company's affairs since the Joint Administrators' appointment

6.1 Initial Actions

- 6.1.1 Upon our appointment as Joint Administrators, we undertook an immediate review of the company's affairs and operations. We performed an inspection of the premises and took steps to ensure that all / any necessary repairs to the perimeter fencing were carried out. Also, we made arrangements for locks to be changed in order to secure the property. We met with insurance providers and arranged immediate cover.

Having secured the site, we have engaged environmental specialists to perform tests on the site and at present, we are awaiting their further advice / recommendations. We have also instructed professional valuers to provide us with a report on valuation. We will agree the disposal strategy with the secured creditors.

6.2 Creditors' claims

6.2.1 Secured Creditors

Under the debenture registered on 13 December 2007, the Bank has fixed and floating charges over the assets of the company. At the date of appointment, the indebtedness to the bank was approximately £19,000,000. Based on current information, it is likely that the Bank will suffer a substantial shortfall.

6.4.2 Preferential Creditors

The company did not have any employees. Therefore, based on current information there are no claims to be lodged by preferential creditors.

6.4.3 Unsecured Creditors

On the basis of current information, it is unlikely that there will be sufficient funds to enable a payment of a dividend to unsecured creditors. At present, we have been notified of £41,520 of unsecured claims.

7 EC Regulations on Insolvency Proceedings

We are required under the Insolvency Rules 1986 to state whether, and if so, the extent to which the above regulations apply to this Administration. In this particular case the EC Regulation will apply in respect of this Administration and these proceedings will be main proceedings as provided by Article 3 of the aforesaid Regulation.

8 Joint Administrators' Remuneration

8.1 Kindly note that under the terms of the Insolvency Rules 1986 the Joint Administrators are obliged to fix their remuneration in accordance with Rule 2.106(2) of the Insolvency Rules 1986. This permits remuneration to be fixed either as a percentage of the value of the property with which the Joint Administrators have to deal or alternatively by reference to the time the Joint Administrators and their staff have spent attending to matters in this Administration.

8.2 As there will be no funds available for unsecured creditors, the Joint Administrators' remuneration will be subject to the approval of the secured creditor pursuant to Rule 2.106(5A) of the Insolvency Rules 1986. For your guidance we attach "A Creditors' Guide to Administrators' Fees" together with a document that outlines the policy of BDO Stoy Hayward LLP in respect of fees and disbursements. A schedule showing time costs incurred is also attached.

9 Possible outcomes for the company and Creditors

9.1 The Insolvency Act 1986 and Insolvency Rules 1986 provide a variety of options regarding the possible exit routes for the company from the Administration, being primarily a Company Voluntary Arrangement, Liquidation or dissolution of the company. It is the Joint Administrators' recommendation and proposal, as detailed below, that either the company be dissolved once the Administration is complete or move from Administration to Compulsory Liquidation.

We have recently become aware of a petition for the compulsory winding-up of the company being presented and the intentions of the petitioner are not yet known. In such circumstances, it is possible that upon the completion of the Administration the company may be placed into Compulsory Liquidation. Accordingly, it may be administratively expedient for the Joint Administrators to be appointed as Joint Liquidators should a winding up order be made in the future. For this reason, the Administrators' proposals include a provision to be appointed as Joint Liquidators should they be legally advised that this will be the most appropriate way to proceed.

10 Statement of proposals under Paragraph 49 of Schedule B1 of the Insolvency Act 1986

In accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986 the Joint Administrators make the following proposals for achieving the purpose of the administration. If no meeting of creditors is requisitioned, the proposals will be deemed to be approved on 23 September 2009.

Formal Proposals - the Joint Administrators propose that:

- (a) they continue to realise assets in accordance with objective 3 of the statutory purpose of the Administration; and
- (b) they make payments to the secured creditor; and
- (c) they exit the Administration either by way of dissolving the company under paragraph 84 of Schedule B1 of the Insolvency Act 1986, or by way of a Compulsory Liquidation and that Shay Bannon and Sarah Rayment will be Joint Liquidators and will act jointly and severally.

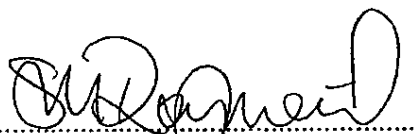
NB. Under Paragraph 83(7) of Schedule B1 of the Insolvency Act 1986 and Rule 2.117(3) creditors may nominate different Liquidators, but in the absence of such nomination the above named would become the Liquidators.

- (d) creditors consider and if thought fit appoint a creditors' committee to assist the Joint Administrators (such committee must comprise of between 3 and 5 creditors),
- (e) the remuneration of the Administrators be approved by the secured creditor pursuant to Rule 2.106(5A) of the Insolvency Rules 1986.

A further resolution is put to the creditors:

- (f) that the Joint Administrators be discharged from liability under the Administration per Paragraph 98 of Schedule B1 of the Insolvency Act 1986, 28 days after the Joint Administrators' filing their final report and sending it to creditors.

Dated: 11 September 2009



Sarah Rayment
Joint Administrator

MJC/NJA/BORDER/C6



Borderbeach Limited
Statutory Information

MJC/NJA/BORDER/C11

**Borderbeach Limited
In Administration**

Statutory Information

Company Number:	06387396				
Date of Incorporation:	2 October 2007				
Address of Registered Office:	55 Baker Street, London, W1U 7EU Formerly: 22 High Street, Trumpington, Cambridge, CB2 9LP				
Director:	Kenneth Leslie Cownden				
Company Secretary:	Paul Joseph Morris				
Nominal Share Capital:	£1 - divided into ordinary shares of £1 each, of which 1 has been issued				
Registered Shareholders:	No of £1 ordinary shares held				
Pomery Associates Ltd	<table><tbody><tr><td>1</td></tr><tr><td><hr/></td></tr><tr><td>1</td></tr><tr><td><hr/></td></tr></tbody></table>	1	<hr/>	1	<hr/>
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Borderbeach Limited
Estimated Financial Statement

Borderbeach Limited - In Administration

Estimated Financial Statement as at 20 July 2009

Assets subject to fixed charge

**Estimated to Realise
20 July 2009
£'000**

Freehold Property (Nacton Road, Ipswich)

Uncertain

Total assets available for Fixed Charge Secured Creditors

Uncertain

Amount due to Bank of Scotland Plc

(19,000)

Deficit as regards fixed charge secured creditors

Uncertain

Assets subject to floating charge

Rent Arrears

Uncertain

Assets Available to Preferential Creditors

Uncertain

Estimated preferential wages & holiday pay

Nil

Estimated surplus/(deficiency) as regards preferential creditors

Nil

Estimated total assets available for floating charge holders

Uncertain

Estimated deficiency of assets after floating charge

Uncertain

Estimated prescribed part of net property where applicable

Uncertain

Unsecured non preferential creditors

1

(41)

Estimated deficiency as regards non preferential creditors

Uncertain

1. Based on creditors' claims notified to the Joint Administrators to date



Borderbeach Limited
Statement of Joint Administrators' Proposals

The Insolvency Act 1986

Statement of administrator's proposals**2.17B**

Name of Company Borderbeach Limited	Company number 06387396
In the High Court of Justice, Chancery Division, Companies Court <small>[full name of court]</small>	Court case number 16545 of 2009

(a) Insert name(s) and address(es) of administrator(s) **1. We (a) Shay Bannon and Sarah Rayment of BDO Stoy Hayward LLP, 55 Baker Street, London, W1U 7EU.**

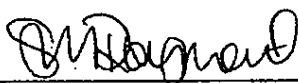
*Delete as applicable

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

(b) Insert date **(b) 11 September 2009**

Signed



Dated

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

BDO Stoy Hayward LLP, 55 Baker Street, London, W1U 7EU.	
Our Ref MJC/NJA/BORDER/C15	Tel 020 7893 2146
DX Number	DX Exchange

Companies House receipt date barcode

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

Formal Proposals - the Joint Administrators propose that:

- (a) they continue to realise assets in accordance with objective 3 of the statutory purpose of the Administration; and
- (b) they make payments to the secured creditor; and
- (c) they exit the Administration either by way of dissolving the company under paragraph 84 of Schedule B1 of the Insolvency Act 1986, or by way of Compulsory Liquidation and that Shay Bannon and Sarah Rayment will be Joint Liquidators and will act jointly and severally.

N.B. Under Paragraph 83(7) of Schedule B1 of the Insolvency Act 1986 and Rule 2.117(3) creditors may nominate different Liquidators, but in the absence of such a nomination the above named would become the Liquidators.

- (d) creditors consider and if thought fit appoint a creditors' committee to assist the Joint Administrators (such committee must comprise of between 3 and 5 creditors)
- (e) the remuneration of the Administrators be approved by the secured creditor pursuant to Rule 2.106(5A) of the Insolvency Rules 1986.

A further resolution is put to the creditors:

- (f) that the Joint Administrators be discharged from liability under the Administration per Paragraph 98 of Schedule B1 of the Insolvency Act 1986, 28 days after the Joint Administrators' filing their final report and sending it to creditors.



Borderbeach Limited

A Creditors' Guide to Administrator's Fees, BDO Stoy Hayward LLP policy on fees and
Schedule of time costs incurred

Borderbeach Limited - In Administration

Summary of Time Charged and Rates Applicable for the Period 20 July 2009 to 4 September 2009

Description	PARTNER		MANAGER		ASSISTANT MANAGER		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL		AVERAGE RATE
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	
B. Steps on Appointment	0.25	110.50	1.35	472.50	6.00	1,542.00	0.00	0.00	0.00	0.00	7.60	2,125.00	279.61
C. Planning and Strategy	0.25	110.50	7.50	2,415.00	0.00	0.00	0.00	0.00	0.00	0.00	7.75	2,525.50	325.87
D. Case Progression	0.50	260.00	0.50	182.25	4.00	1,028.00	6.50	760.50	0.75	87.75	12.25	2,318.50	189.27
E. Asset Realisation	0.00	0.00	24.50	7,988.00	37.00	9,509.00	0.00	0.00	0.00	0.00	61.50	17,497.00	284.50
I. Reporting	0.00	0.00	2.90	1,015.00	0.00	0.00	4.55	532.35	0.00	0.00	7.45	1,547.35	207.70
K. Work	2.20	1,144.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	44.00	2.70	1,188.00	440.00
	3.20	1625.00	36.75	12,072.75	47.00	12,079.00	11.05	1,292.85	1.25	131.75			
												Hours	
												Net total:	
												99.25	
												(£)	
												27,201.35	
												Grand Total:	
												£27,201.35	

1 Introduction

- 1.1** When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees and explains the basis on which fees are fixed.

2 The nature of administration

- 2.1** Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:

- rescuing the company as a going concern, or
- achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration,

or, if the administrator thinks neither of these objectives is reasonably practicable

- realising property in order to make a distribution to secured or preferential creditors.

3 The creditors' committee

- 3.1** The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is normally established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide information about the exercise of his functions.

4 Fixing the administrator's fees

- 4.1** The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed either:

- as a percentage of the value of the property which the administrator has to deal with, or
- by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration.

It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed and, if it is fixed as a percentage fix the percentage to be applied. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the administrator;
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties;
- the value and nature of the property which the administrator has to deal with.

- 4.2** If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as the committee would. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator.

- 4.3 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets. In this case a resolution of the creditors shall be taken as passed if, and only if, passed with the approval of –

- each secured creditor of the company; or
- if the administrator has made or intends to make a distribution to preferential creditors – each secured creditor of the company; and
- preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval.

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company.

- 4.4 A resolution of creditors may be obtained by correspondence.

5 What information should be provided by the administrator?

5.1 When seeking fee approval

- 5.1.1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information, which should be provided, will depend on:

- the nature of the approval being sought;
- the stage during the administration of the case at which it is being sought; and
- the size and complexity of the case.

- 5.1.2 Where, at any creditors' or committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

- 5.1.3 Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, and professional guidance has been provided setting out a minimum of 6 category headings under which the work done by the officeholder and his staff should be analysed. As a firm BDO Stoy Hayward LLP operates a computerised time recording system which analyses work done under the following categories:-

- Pre Appointment Matters
- Steps upon Appointment
- Planning and Strategy
- General Administration
- Asset Realisation/Management

- Trading Related Matters
- Employee Matters
- Creditor Claims
- Reporting
- Distribution and Closure
- Other Issues

Professional guidance suggests the following categories as a basis for analysis by grade of staff:

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the administrator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain:

- Any significant aspects of the case, particularly those that affect the amount of time spent.
- The reasons for subsequent changes in strategy.
- Any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make.
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement.
- Any existing agreement about fees.
- Details of how other professionals, including sub-contractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees.

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

- 5.1.4 Where the fee is charged on a percentage basis the administrator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by an administrator or his staff.

5.2 After fee approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the administrator should specify the amount of remuneration he has drawn in accordance with the resolution. Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 5.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 5.1.4 above regarding work which has been sub-contracted out.

5.3 Expenses and disbursements

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements. However, professional guidance issued to insolvency practitioners requires that, where the administrator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the administrator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

6 What if a creditor is dissatisfied?

- 6.1** If a creditor believes that the administrator's remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the court for an order that it be reduced. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing. Unless the court orders otherwise, the costs must be paid by the applicant and not as an expense of the administration.

7 What if the administrator is dissatisfied?

- 7.1** If the administrator considers that the remuneration fixed by the creditors' committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient, he may apply to the court for it to be increased. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

8 Other matters relating to fees

- 8.1** Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.
- 8.2** If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.

9 Provision of information – additional requirements

In any case where the administrator is appointed on or after 1 April 2005 he must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company. The information which must be provided is –

- the total number of hours spent on the case by the administrator or staff assigned to the case;
- for each grade of staff, the average hourly rate at which they are charged out;
- the number of hours spent by each grade of staff in the relevant period.

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment, or where he has vacated office, the date that he vacated office.

The information must be provided within 28 days of receipt of the request by the administrator, and requests must be made within two years from vacation of office.



BDO Stoy Hayward

Borderbeach Limited - In Administration

In accordance with best practice I provide below details of policies of BDO Stoy Hayward LLP in respect of fees and expenses for work in relation to the above insolvency.

The current charge out rates per hour of staff within my firm who may be involved in working on the insolvency, follows: This in no way implies that staff at all such grades will work on the case.

BDO Stoy Hayward LLP – London Office
GRADE

	£
Partner 1	658
Partner 2	530
Principal	498
Director	446
Senior Manager	413
Manager	379
Assistant Manager	322
Senior Administrator 1	257
Senior Administrator 2	240
Administrator 1	193
Administrator 2	175
Junior Administrator	139
Trainee	88

BDO Stoy Hayward LLP – Gatwick Office
GRADE

	£
Partner	442
Director	380
Senior Manager	350
Manager	322
Assistant Manager	274
Executive	205
Junior Executive	117
Trainee	94
Support staff/Secretary	74

The rates charged by BDO Stoy Hayward LLP, are reviewed in December and July each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes. BDO Stoy Hayward LLP records work in respect of insolvency work under the following categories:-



BDO Stoy Hayward

Pre Appointment
Steps upon Appointment
Planning and Strategy
General Administration
Asset Realisation/Management
Trading Related Matters
Employee Matters
Creditor Claims
Reporting
Distribution and Closure
Other Issues.

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

Other Costs

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.

Category 1

This heading covers expenses where BDO Stoy Hayward LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), searches at Companies House, land registry searches, fees in respect of swearing legal documents, external printing costs etc. In each case the recharge will be reimbursement of a specific expense incurred.

A further disbursement under this heading is the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 40p per mile is raised which is in line with the Inland Revenue Approved Mileage Rates (median – less than 10,000 miles per annum) which is the amount the firm pays to staff.

Where applicable, disbursements will be subject to VAT at the prevailing rate.



BDO Stoy Hayward

Category 2

Additionally some firms recharge expenses for example postage, stationery, photocopying charges, telephone and fax costs, which cannot economically be recorded in respect of a each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors, before they can be drawn, and these are known as category 2 disbursements. The policy of BDO Stoy Hayward LLP, effective from 1 July 2003, is not to recharge any expense which is not a specific cost to the case, therefore there will be no category 2 disbursements charged. Category 2 disbursements, because they are imprecise, require approval by the creditors before they can be drawn.

BDO Stoy Hayward LLP

11 September 2009



Borderbeach Limited

Form 2.21B Creditor's request for a meeting

Creditor's request for a meeting

Name of Company
Borderbeach Limited

Company number
06387396

In the High Court of Justice, Chancery Division,
Companies Court

[full name of court]

Court case number
16545 of 2009

(a) Insert full name and
address of the creditor making
the request

I (a) _____

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

request a meeting of the creditors of (b) _____

(c) Insert amount of claim

My claim in the administration is (c) _____

(d) Insert full name(s) and
address(es) of creditors
concurring with the request (if
any) and their claims in the
administration if the
requesting creditor's claim is
below the required 10%

(d) _____

concur with the above request, and I attach copies of their written confirmation of concurrence.

(e) Insert details of the
purpose of the meeting

The purpose of the meeting is (e) _____

Signed _____

Dated _____



Borderbeach Limited
Proof of Debt Form

PROOF OF DEBT

**In The High Court of Justice
Chancery Division
Companies Court**

No 16545 of 2009

**Borderbeach Limited
- In Administration -**

Date of Administration 20 July 2009

- 1 Name of creditor
- 2 Address of creditor
- 3 Total claim including VAT and interest as at
the date of the appointment of administrators £
(see overleaf)
- 4 Details of documents by which debt can be
substantiated (please attach copy documents)
- 5 Amount of any interest included in claim £
- 6 Is the whole or part of the debt preferential? Yes / No
If so, state amount, and details £
See notes overleaf
- 7 Particulars of how and when debt incurred
- 8 Particulars and value of any security held and
the date it was given
- 9 Signature of creditor
or other authorised person
- Name in BLOCK LETTERS
- Creditor's reference:
- 10 Position or Relationship with Creditor

For Use of Administrator Only

11 Admitted to vote for £

Date

Joint Administrator

12 Admitted preferentially
for £

Date

Joint Administrator

Admitted non-preferentially
for £

Date

Joint Administrator

Guidance Notes re Preferential Debts:

The categories of preferential debts under S.386(1) of the Insolvency Act 1986 are as follows:

- pension scheme contributions
- remuneration etc of employees
- Levies on Coal & Steel Productions.

VAT Bad Debt Relief

The provisions of the Finance Act, 1990, came into effect on 26 July, 1990, and introduced changes in the way that VAT on Bad Debts is recovered.

Your claim overleaf must be quoted inclusive of VAT. You may claim relief on your VAT return when the debt is at least six months old and has been written off. Any dividend you receive in respect of this claim will include payment in respect of the VAT element of your debt and you will be responsible for declaring such VAT to HM Customs & Excise.