

The Insolvency Act 1986

**Administrator's progress report**

Name of Company Butler, Tanner & Dennis Limited	Company number 06633222
In the High Court of Justice	Court case number 3486/2014

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

I (a) Richard Rones of  
ThorntonRones Limited,  
311 High Road,  
Loughton,  
Essex,  
IG10 1AH

administrator of the above company attach a progress report for the period

(b) Insert dates


from

to

(b) 23 May 2014

(b) 22 November 2014

Signed

  
 Administrator
Dated 19<sup>th</sup> December 2014**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

Richard Rones

ThorntonRones Limited 311 High Road, Loughton, Essex, IG10 1AH

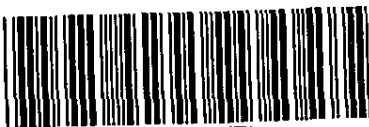
Tel - 0208 418 9333

DX Number

DX Exchange

When you have completed and signed this form please send it to the Registrar of Companies at  
Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff



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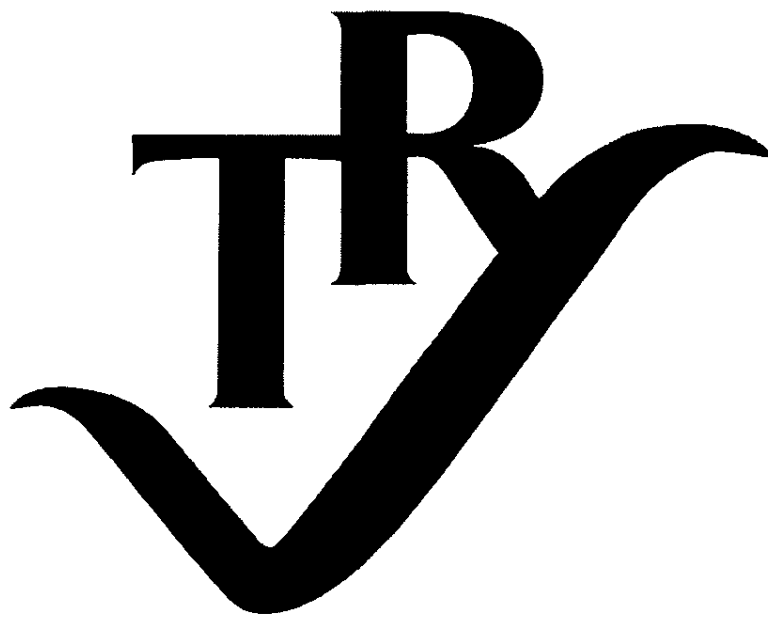
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COMPANIES HOUSE

**Butler, Tanner & Dennis Limited -  
In Administration**



**Administrator's Progress Report  
For the Period  
23 May 2014 to 22 November 2014  
Dated: 3 December 2014**

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## **APPENDICES**

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**1 Statutory Information**

- 1 1 I was appointed Administrator of Butler, Tanner & Dennis Limited ("the Company") on 23 May 2014. The appointment of an Administrator was made by Mr Ian Leggett, on behalf of the board of directors.
- 1 2 This Administration is being handled by ThorntonRones Limited, situated at 311 High Road, Loughton, Essex, IG10 1AH.
- 1 3 The Administration is registered in the High Court of Justice, under reference 3486 of 2014.
- 1 4 The trading address of the Company was Caxton Road, Frome, Somerset, BA11 1NF. The business traded under its registered name.
- 1 5 The registered office of the Company has been changed to 311 High Road, Loughton, Essex, IG10 1AH and its registered number is 06633222.

**2 Administrator's Proposals**

- 2 1 As previously advised, the Administrator must perform his functions with the purpose of achieving one of the following objectives:
- rescuing the Company as a going concern,
  - 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 2 In this instance it was not possible to rescue the Company as a going concern by virtue of the Company's liabilities and the Company's trade being insufficient to support any offer to its creditors under a voluntary arrangement, therefore the first objective could not be achieved.
- 2 3 However, I believed that, in this instance, the second objective could be achieved and my strategy to achieve this was set out in the Administrator's proposals, however I will outline the same below for your ease of reference.

***Work in Progress***

- 2 4 At the date of my appointment the Company had a significant debtor ledger estimated by the directors to realise approximately £1 million. In addition, there was also work in progress (WIP) estimated by the directors in the region of £230,000. In order to complete this WIP the staff of the Company were required to be kept on for one week post Administration, until 30 May 2014, at a cost of circa £70,000.
- 2 5 Therefore, the view was formed that it was of benefit to the creditors of the Company for trade to continue for one week in order for the WIP to be completed.

***Employees***

- 2 6 Prior to the Administrator's appointment, consultations had begun with staff with regard to future redundancies, and these consultations continued after appointment. It was envisaged that, when trading ceased on 30 May 2014, some staff would be transferred to an associated company, namely Dennis Maps Limited, and some would be offered alternate employment by Dennis Maps Limited. All other staff not transferred or offered alternate roles would then be made redundant after the WIP had been completed, barring two members of staff who would be retained by the Company in Administration for a defined period to facilitate the collection of outstanding debts and the completion of deliveries of finished goods.
- 2 7 On 30 May 2014, the WIP was completed and trading ceased. At this time 12 employees were transferred and a further 8 employees were offered alternate employment by Dennis Maps Limited. Two employees were retained by the Administrator. One was a member of warehouse staff who was retained for one week and the other was retained under a fixed contract by the Administrator to assist in the collection of the debtor ledger. The remaining 109 staff were made redundant.

***Assets***

- 2 8 Immediately upon my appointment independent agents and valuers, AgentCite Limited ("the Agents"), were instructed to secure the site and carry out an inventory and valuation of the assets held by the Company. They were also instructed to deal with any retention of title claims lodged by suppliers and to catalogue any stock that remained on site. Assistance was also received with negotiations for use of stock to complete WIP and package finished goods.

- 2 9      Following my appointment, the agents negotiated the sale of a large portion of the unencumbered tangible assets to a connected company, namely Dennis Maps Limited, and with regard to the remaining assets, they placed adverts detailing the assets available for sale on their website and in trade publications and on an auction website. They also held viewing days to enable prospective buyers to view the items available to purchase.

***Conclusion***

- 2 10      In conclusion, the strategy and objective of the Administration can be summarised by stating that it was to realise a better result for the Company's creditors as a whole than would likely be achieved if the Company was wound up (without first being in Administration) by maximising realisations and minimising creditors, in the following ways:

- Administration allowed the completion of WIP that would have been more complex or unlikely to be realised,
- Administration allowed an extended period of staff negotiations from the date on which the notice of intention to appoint an Administrator was filed at court to the date the Administration commenced. The ability to undertake these consultations in line with the current employment regulations had the effect of significantly reducing final employee claims,
- The Moratorium in Administration allowed for immediate protection of the Company's assets from creditor action (both secured and unsecured). This enabled a timely sale of all assets and provided the best opportunity to maximise realisations,
- Administration, in normal circumstances, allows for a period of trade in a manner that is not possible in liquidation, which generally results in debtor collection rates being greater. In this case this was likely to be in excess of £1 million and so this was seen as a material benefit.

**3      Progress of the Administration**

Attached at Appendix A is my Receipts and Payments Account for the period from 23 May 2014 to 22 November 2014.

## BUTLER, TANNER & DENNIS LIMITED - IN ADMINISTRATION

### ***Encumbered Plant & Machinery***

- 3 1 As detailed in the Administrator's Proposals ("the Proposals") the Company had plant and machinery, namely a Klobus Print Machine ("Klobus"), with an estimated realisable value of £300,000 which was subject to a fixed charge held by Print Finance. It was envisaged that, after the outstanding finance was discharged, there would be a surplus of circa £40,134 for the benefit of the Administration.
- 3 2 Following my appointment the Klobus was sold for £300,000 and, after the sums due under the fixed charge, which totalled £259,867 were discharged, the sum of £40,132 was realised. Legal costs of £7,169 were also payable in connection with this transaction, therefore the net proceeds totalled £32,963.

### ***Unencumbered Plant & Machinery/Stock***

- 3 3 At the date of my appointment, the Company had unencumbered Plant & Machinery and Stock which had an estimated realisable value of £110,000.
- 3 4 In the six months following my appointment, my agents conducted the sale and disposal of these assets and have achieved net realisations of £223,124. Of this sum, £88,000 plus VAT relates to plant and machinery sold to Dennis MAPS Limited ("MAPS"), an associated company. The consideration for this sale to MAPS will be recovered via floating charge offset, as detailed in section 3 20 to 3 22 below.
- 3 5 As at the date of this report my agents have remitted the sum of £80,000 to the Administration, the balance of the proceeds from completed sales is being held by them pending completion of their final account.
- 3 6 In accordance with Statement of Insolvency Practice No 13 (**SIP13**), I would advise you that the following assets will be sold to an associated Company:

Date of Transaction	Asset Involved and Nature of Transaction	Consideration Paid and Date	Sold To	Relationship
To be completed	Purchase of Plant Machinery	£88,000 plus VAT	Dennis MAPS Limited	Common Company Appointments

### ***Cash at Bank***

- 3 7 The Company had cash at bank with a value of circa £158,000 as at the date of my appointment.

## **BUTLER, TANNER & DENNIS LIMITED - IN ADMINISTRATION**

3 8 The sum of £158,868 was received from the bank post appointment and, following a review of the transactions, it was determined that £116,754 of these funds represented payments from debtors

3 9 Accordingly, please note that the sum allocated to cash at bank has been adjusted within the Receipts and Payments Account at Appendix A and the Estimated Outcome Statement shown at Appendix E in order to accurately reflect the level of debtor realisations

### ***Book debts***

3 10 At the date of appointment, there was a debtor ledger with a book value of £1,020,818

3 11 Following my appointment work in progress was completed and invoices totalling £242,135 were raised, bringing the total debtor ledger value to £1,262,953

3 12 It was anticipated that this ledger would realise in the region of £834,019, however this estimated realisable value related solely to the pre-administration portion of the ledger

3 13 To date, a total of £917,297 has been realised against the total ledger, with a further £75,880 still subject to recovery action. Unfortunately, the balance of the ledger totalling £269,776 has been deemed uncollectable and will not be recovered

3 14 In addition to the debtor ledger detailed above, there is also an intercompany debt due from Berforts which totals £23,883. At present, no sums have been recovered in this respect as the debt is under dispute. The Liquidator will however continue to pursue this matter

### **Third Party Contributions**

#### ***Mr Felix Dennis***

3 15 As creditors may already be aware, Mr Dennis sadly passed away shortly after the Administration commenced, however, the executors of his estate have continued and will continue to meet Mr Dennis's commitments to the Administration, and the sums guaranteed before his passing

3 16 As detailed in the Proposals, Mr Felix Dennis personally underwrote the payment of the wages to the Company's employees (including Tax and NI) totalling £246,960 for the pre appointment period up to 23 May 2014, which were paid by the Administrator within the month end payroll paid following his appointment



## BUTLER, TANNER & DENNIS LIMITED - IN ADMINISTRATION

- 3 17 Mr Dennis had personally repaid the Company's bank overdraft prior to appointment and a credit balance remained thereafter Mr Dennis had however wrongly assumed that this credit balance of £158,869 represented surplus funds due to him and had instructed that these funds be utilised to pay part of the final payroll up to 23 May 2014 which totalled £246,960
- 3 18 Mr Dennis then injected a further £93,000 into the Administration (of which £8,000 had been earmarked for payment of the Administrators fees, but of which £3,091 was utilised in the payment of the balance of payroll) Having injected £254,960 into the Administration Mr Dennis assumed he had personally funded the entire pre appointment payroll Unfortunately, post Administration, it transpired that the credit balance held at HSBC was in fact made up of debtor receipts and that Mr Dennis' overpayment had been absorbed by the payment of trading costs pre administration, therefore these funds were not capable of being used to fund the payment of the pre administration payroll
- 3 19 As a result of this Mr Dennis agreed to repay the Administration £161,960 (being the total of the cash at bank of £158,869 plus the £3,091 of funds on account that had been utilised to cover the payroll)
- 3 20 Mr Dennis's total contributions in the Administration are £254,960 This sum is made up of £93,000 which was paid into the Administration shortly after appointment, together with the balance of £161,960 which was repaid via offset against Mr Dennis floating charge distribution All sums due to the Administration in this respect have now been repaid

### *Dennis MAPS Limited ("MAPS")*

- 3 21 As detailed in the Proposals an agreement was reached with MAPS with regard to their occupation of the Company's leasehold premises post Administration and a schedule of recharges was agreed which related to the rent and utilities at the site The total liability of MAPS to the Company in this respect totals £90,000 against which £7,154 has been paid
- 3 22 In addition to these recharges, MAPS have also agreed to purchase a large proportion of the Company's unencumbered plant and machinery for net consideration totalling £88,000
- 3 23 As part of his on-going support of MAPS, Mr Dennis agreed to personally underwrite the monies owed by MAPS in respect of both the recharges and asset purchase and has agreed to make payment of the sums due via offset against his entitlement to floating charge distributions from the Administration The total outstanding sum of £88,000 plus VAT for the assets, and £82,846 plus VAT for the license recharges will therefore be repaid in full within the next floating charge distribution

**4 Administrator's Remuneration**

*Pre-Appointment*

- 4 1 Within the Proposals, the creditors agreed that the Administrator be authorised to draw his pre appointment time costs and expenses incurred as an expense of the Administration
- 4 2 I attach as Appendix C a time analysis for the period leading up to the Administrator's appointment which provides details of the activity costs incurred by staff grade up to 23 May 2014 This shows that time costs for the pre appointment period total £17,284 this represents 60 10 hours at an average rate of £287 59
- 4 3 To date, £5,000 has been drawn against these time costs It has been agreed with the Company director's that no further fees will be drawn in this respect, the balance of £12,284 will therefore be written off and will not be carried over into the liquidation
- 4 4 The expenses incurred pre appointment relates to travel and £166 was reimbursed in this regard

*Post appointment*

- 4 5 The creditors approved that the basis of the Administrator's remuneration for the post Administration period be fixed by reference to the time properly spent by him and his staff in managing the Administration
- 4 6 The Administrator's time costs for the first 6 months of the administration, being 23 May 2014 to 22 November 2014 are £111,838 This represents 409 25 hours at an average rate of £273 per hour Attached as Appendix D is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by me in managing the Administration
- 4 7 To date, £75,000 has been drawn against these time costs It has been agreed with the Company director's that no further fees will be drawn in this respect, the balance of these time costs will therefore be written off and will not be carried over into the liquidation
- 4 8 I provide below a brief outline of the work undertaken under each respective time code heading

## **BUTLER, TANNER & DENNIS LIMITED - IN ADMINISTRATION**

### Administration & Planning/Case Specific

A total of 211 35 hours has been spent under this heading. The type of work undertaken relates mainly to the completion of statutory paperwork and all associated case administration, these tasks include

- Collating creditor information and inputting the Insolvency Practitioners Database (IPS)
- Preparing notification to creditors,
- Setting up case and cash files,
- Advertising of the Administrator's appointment,
- Notifying all relevant parties of the Administrator's appointment,
- Requesting submission of relevant information from directors,
- Preparing instructions to all appointed agents,
- Arranging for insurance of assets to continue,
- Arranging alternate insurance when cover cancelled,
- Bonding of assets and completing all associated paperwork
- Collating employee details,
- Preparing employee letters,
- Collating VAT information on sale and purchases on manual spread sheet,
- Preparing monthly VAT returns,
- Maintaining Cash Book,
- Completing Bank Reconciliations,

These tasks were assigned to members of staff depending upon their relevant experience and knowledge, however the majority of the statutory paperwork was completed by the case manager with all other tasks mainly undertaken by administrators and support staff

### Creditors

A total of 40 30 hours has been spent under this heading. This time has been spent specifically dealing with creditors and their enquires

Whilst standard enquires and tasks in this respect have been managed by support staff, the majority of creditor contact has been dealt with by the case manager and, in exceptional circumstances, the Liquidator

## BUTLER, TANNER & DENNIS LIMITED - IN ADMINISTRATION

### Realisation of Assets

A total of 81 30 hours has been spend under this heading Work in this respect has mainly been conducted by the case manager and junior professional staff, who have in main undertaken the following tasks,

- Instructing and Liaising with Agents,
- Entering Book Debt Information,
- Collating back up documents for Debtors,
- Issuing demands to Debtors,
- Dealing with Debtor queries,
- Instructing collection agents,
- Dealing with collection agents queries

### Trading

A total of 59 20 hours has been spend under this heading Work in this respect has mainly been conducted by the case manager who has in main undertaken the following tasks,

- Maintaining cash book,
- Issuing payments,
- Reconciling credits,
- Liaising with suppliers,
- Dealing with employee issues,
- Dealing with payroll issues,
- Site attendance,

4 9 Attached as Appendix F is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and, at Appendix I, details of our current charge-out rates by staff grade and policy regarding the recharge of disbursements

4 10 A copy of 'A Creditors' Guide to Administrators' Fees' is available on request or can be downloaded from [www.icaew.com/en/technical/insolvency/creditors-guides](http://www.icaew.com/en/technical/insolvency/creditors-guides)

4 11 I can confirm that Category 2 disbursements have been incurred since my appointment as follows

Type/Purpose	Cost £
Fax	6 00
Photocopying	240 70
<b>Total</b>	<b>246 70</b>

**5 Administrator's Expenses**

5.1 The following expenses have been incurred/paid since appointment

Supplier/Service Provider	Nature of expense incurred	Amount incurred to date	Paid to date	Amount Outstanding
2020 Trustees Limited	Pension Brief Report	355 00	355 00	0 00
Close Bros Finance	Insurance Cover (LV)	12,835 29	12,835 29	0 00
Simons Muirhead Burton	Legal Fees	20,067 17	5,974 17	14,093 00
AUA Insolvency Risk Services	Specific Bond	1,200 00	1,200 00	0 00
AUA Insolvency Risk Services	Insurance of Assets	263 41	263 41	0 00
AgentCite Limited *	Agents/Valuers Fees	30,000 00	0 00	30,000 00
ICSM	Debt Collection Fee	2,736 26	2,736 26	0 00
Payco ERA Limited	Employee Claims Handling	4164 39	4164 39	0 00
TMP	Statutory Advertising	317 75	317 75	0 00
Total Data Management	Storage Costs	776 22	776 22	0 00
		<b>72,715 49</b>	<b>28,622 49</b>	<b>44,093 00</b>

\* AgentCite Limited are currently in the process of compiling their final account, therefore the current figure is an estimate and may be subject to change

5.2 Those costs not yet paid will be settled within the Liquidation

**6 Investigations**

6.1 In accordance with the Company Directors Disqualification Act 1986 I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills (BIS). As this is a confidential report, I am not able to disclose the contents

6.2 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the initial meeting or as a response to my request to complete an investigation questionnaire

6.3 My investigations have not revealed any issues requiring further report

## **7 Unrealised Assets**

7.1 The following assets have yet to be realised

- The balance of the Company's debtor ledger totalling £107,865,
- Debt due from the associated company totalling £23,883,
- Sums due from MAPS under the license agreement,
- Balance of asset realisations from AgentCrite,

7.2 Further details relating to the above assets are provided in section 3

## **8 Outcome for Creditors**

8.1 An Estimated Outcome Statement as at 3 December 2014 is attached at Appendix E

### *Secured Creditors*

8.2 HSBC Bank Plc holds a fixed and floating charge over the Company's assets in respect of the Company's overdraft facility. This facility was repaid by Mr Felix Dennis prior to the Administrators appointment and as such Mr Dennis has a subrogated claim, the validity of which has been verified by my solicitors. The level of this claim has been agreed at £1,477,768

8.3 To date, floating charge distributions totalling £261,960 have been paid to Mr Dennis under his subrogated claim. Further distributions will be paid within the liquidation.

### *Preferential Creditors*

8.4 A summary of preferential claims is detailed below

Summary of Preferential Claims			
Employee claims - Arrears of Wages (Total number of claims =137 )	96,491.56	151,635.00	100p in the Pound - Paid 13/08/2014
Department for Business Innovation & Skills (BIS) - Holiday Pay	?	-	Awaiting Final POD

## **BUTLER, TANNER & DENNIS LIMITED - IN ADMINISTRATION**

8 5 Mr Felix Dennis made advances to the Company's employee's pre appointment in relation to their wage arrears for April and May 2014 Therefore, Mr Dennis had a subrogated preferential claim (up to the statutory preferential limit of £800 per employee) within the Liquidation Mr Dennis's claim was reviewed and agreed by my agents, Payco ERA Limited ("Payco"), and was paid in full on 13 August 2014

8 6 Claims by the employees for unpaid holiday were submitted to the Redundancy Payments Services (RPS) and advances were made by the RPS in this respect Payco are currently in the process of agreeing this aspect of the RPS's preferential claim

8 7 Once agreed, the preferential claims, which are estimated to be in the region of £55,000, will be paid in full within the Liquidation

### *Unsecured Creditors*

8 8 I have received claims totalling £998,765 from 56 creditors I have yet to receive claims from 60 creditors whose debts total £266,786 as per the Company's statement of affairs

8 9 The Company granted a floating charge to HSBC Bank Plc on 22 August 2008 Accordingly, I am required to create a fund out of the Company's net floating charge property for unsecured creditors known as the 'Prescribed Part'

8 10 Based on current asset realisations, the estimated prescribed part is £135,430 Given future anticipated realisation this is likely to rise to circa £168,800 as indicated within the attached Estimated Outcome Statement

8 11 Once preferential claims are formally agreed and asset realisations are finalised, I will be in a position to formally calculate the Prescribed Part and make a distribution to unsecured creditors As you will see from Estimated Outcome Statement at Appendix E, the current estimated return to unsecured creditors from the prescribed part is circa 8 16 pence in the £

**9 Creditors' rights**

- 9 1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Administrator provide further information about his 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 concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Administrator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Administrator, as set out in this progress report, are excessive

**10 Ending the Administration**

- 10 1 As the Administrator thinks a dividend will be paid to the unsecured creditors, on 24 November 2014, the Administrator filed a notice with the Registrar of Companies bringing the administration to an end and moving the Company automatically into Creditors' Voluntary Liquidation (CVL)

For and on behalf of  
Butler, Tanner & Dennis Limited



Richard Rones  
Administrator



**Butler, Tanner & Dennis Limited  
(In Administration)**

Appendix A

**Summary of Receipts & Payments**

RECEIPTS	Statement of Affairs (£)	From 23/05/2014 To 22/11/2014 (£)	From 23/11/2014 To 03/12/2014 (£)	Total (£)
Klobus Print Machine	40 134 00	300,000 00	0 00	300,000 00
Unencumbered Plant & Machinery	100,000 00	80 000 00	0 00	80,000 00
Stock	10 000 00	0 00	0 00	0 00
BTD MAPS Contribution	0 00	0 00	7 153 85	7 153 85
Intercompany Debt	23,883 00	0 00	0 00	0 00
VAT Late Payment Supplement	0 00	447 36	0 00	447 36
Cash at Bank	158 000 00	158 868 63	-116 754 12	42,114 51
F Dennis - Funds on Account	0 00	8 000 00	0 00	8 000 00
F Dennis - Wage Contribution	0 00	246,960 09	0 00	246 960 09
Book Debts				
- Pre Administration	834,019 00	581 871 35	110 250 27	692,121 62
- Post Administration (Trading)	-	225 174 90	0 00	225,174 90
	<u>1 166,036 00</u>	<u>1,801,322 33</u>	<u>650 00</u>	<u>1,601,972 33</u>
<b>PAYMENTS</b>				
Net Wages		174 282 85	0 00	174,282 85
PAYE/NIC and Employers NI (Pre Adm)		72 677 24	0 00	72,677 24
Legal Fees (Klobus)		5,974 17	0 00	5 974 17
Five Arrows Finance		156 063 68	0 00	156 063 68
Five Arrows (Heidelberg Cross Guarantee)		103 803 48	0 00	103 803 48
Court fees		50 00	0 00	50 00
Specific Bond		1,200 00	0 00	1 200 00
Debt Collector Fee		2,736 26	3083 00	5,819 26
Preparation of S of A		5 000 00	0 00	5,000 00
Office Holders Fees		60,000 00	15 000 00	75 000 00
Office Holder Expenses		0 00	1 111 42	1 111 42
Legal Fees		0 00	11 744 90	11,744 90
ERA Costs		4 164 39	0 00	4,164 39
Travel Expenses - Pre Appointment		166 00	0 00	166 00
Pension Costs		355 00	0 00	355 00
Storage Costs		776 22	0 00	776 22
Statutory Advertising		317 75	0 00	317 75
Rents Payable		90 000 00	0 00	90,000 00
Bank Charges		30 00	0 00	30 00
Travel Expenses - Post Appointment		407 30	0 00	407 30
Preferential Employee Wages - F Dennis		96,491 56	0 00	96 491 56
Floating Charge Distribution		261 960 09	0 00	261 960 09
Trading				
Insurance		13 098 70	0 00	13 098 70
Trading Expenses		520 82	0 00	520 82
Wages		55192 30	0 00	55192 30
PAYE/ NI and Employers NI (Post Admin)		24,023 98	0 00	24 023 98
Duress Payments		2 067 57	0 00	2 067 57
Utility Costs (Post Administration)		3 784 81	-442 82	3 341 99
Rates		0 00	6140 78	6140 78
Rents Post Administration		30,000 00	0 00	30,000 00
		<u>1,165,144 17</u>	<u>36,637 28</u>	<u>1,201,781 45</u>
Net Receipts/(Payments)		<u>436,178 16</u>	<u>-35,987 28</u>	<u>400,190 88</u>



Richard Jeffrey Rones  
Administrator

**Butler, Tanner & Dennis Limited - In Administration**  
**Estimated Post Administration Trading Account**

**Appendix B**

	<b>Paid to Date</b>	<b>Outstanding</b>	<b>Total</b>
Gross Sales - Post Appointment	225,175	1,040	226,215
<b>Less:</b>			
Insurance	13,098 70	0 00	13,098 70
Raw Materials*	0 00	0 00	0 00
Trading Expenses	520 82	0 00	520 82
Wages	55,192 30	0 00	55,192 30
PAYE/ NI and Employers NI (Post Admin)	24,023 98	0 00	24,023 98
Duress Payments	2,067 57	0 00	2,067 57
Utility Costs (Post Administration)	3,341 99	949 45	4,291 44
Rates	6,140 78	0 00	6,140 78
Rents Post Administration	30,000 00	0 00	30,000 00
Total	134,386 14	949 45	135,335 59
	90,789	90 55	90,879

\* All WIP had been printed at the date of appointment, therefore there were no raw material costs only labour was

# Time Entry - SIP9 Time & Cost Summary

B181 - Butler, Tanner & Dennis Limited  
Project Code PRE  
To 23/05/2014

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	16 60	24 50	11 00	0 50	52 60	15 691 90	298 33
Case Specific Matters	0 00	0 00	4 00	0 00	4 00	560 00	140 00
Creditors	0 00	3 50	0 00	0 00	3 50	1 032 50	295 00
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisation of Assets	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
<b>Total Hours</b>	<b>16 60</b>	<b>28 00</b>	<b>15 00</b>	<b>0 50</b>	<b>60 10</b>	<b>17,284 40</b>	<b>287 59</b>
<b>Total Fees Claimed</b>						<b>5,000</b>	
<b>Total Disbursements Claimed</b>						<b>166 00</b>	

# Time Entry - SIP9 Time & Cost Summary

B181 - Butler, Tanner & Dennis Limited  
Project Code POST  
From 23/05/2014 To 22/11/2014

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	9 80	30 50	14 35	35 40	90 05	18 786 40	208 62
Case Specific Matters	4 00	104 90	12 40	0 00	121 30	34 301 25	282 78
Creditors	7 30	18 20	8 30	6 50	40 30	9 991 00	247 92
Investigations	0 60	12 50	4 00	0 00	17 10	4 775 50	279 27
Realisation of Assets	3 70	60 00	17 60	0 00	81 30	22 890 00	281 55
Trading	42 70	16 50	0 00	0 00	59 20	21 093 50	356 31
<b>Total Hours</b>	<b>68 10</b>	<b>242 60</b>	<b>56 65</b>	<b>41 90</b>	<b>409 25</b>	<b>111,837 65</b>	<b>273 27</b>
<b>Total Fees Claimed</b>						<b>60,000 00</b>	
<b>Total Disbursements Claimed</b>						<b>0 00</b>	

Appendix D

	Book Value	Realised to Date	Estimated Future	Total
	£	£	Realisations	£
Assets				
Klobus	143 937	300 000		300 000
Funds on Account		8 000		8 000
F Dennis Contribution	-	246 960		246 960
Cash at Bank (Exc Book debts paid post Appt to HSBC)	-	42 115		42 115
Book Debts				
Pre Appointment Debtors	1 020 818	892 122	74 840	
Post Appointment Debtors	242 138	225,175	1,040	
MAPS Contributions	1 262 953	917 297	75 880	993 177
Plant & Equipment		7 154	82 848	90 000
Stock	326 000	80 000	113 845	193 845
VAT Late Payment Supplement	257 000	-	29 279	29 279
Inter Co Berforis	-	447		447
Pre Appt VAT Refund	23 883	-	?	?
	19 166	-		-
Surplus Available to Preferential Creditors	2 032 939	1 601 972	301 851	1 903 823
Preferential Creditors				
Employee Wages - F Dennis Subrogated		(96 492)		(96 492)
Employee Entitlements Wages and Holiday (Estimated)	(151 635)		(55,000)	(55,000)
Less Costs Paid/ Estimated Costs		(96 492)	(55 000)	(151 492)
Klobus Security Five Arrows	156 063	259 887		259 887
Office Holder Fees	50 000	80 000		80 000
Liquidator's Fees (estimate)			25 000	25 000
Agents Fees	30 000		30,000	30 000
Trading Expenses (Exc Wages)	5 363	3 863	1 500	5 363
Property Expenses/Insurance (Inc 3rd Party Contribution)	42 836	138 239		139 239
Debt Collectors Fee		5 819	10 000	15 819
Duress Payments	2 068	2 068		2 068
Payroll Costs (Including o/s PAYE to be paid)	317 948	326 178		326 178
Legal Fees	20 000	17 719		17 719
ERA Fees	10 000	4 164	1 000	5 164
Post Appt Corporation Tax (estimate)			25 000	25 000
Office Holder Expenses	8,914	4,414	2,500	8,914
	(485 128)	(843 330)	(95 000)	(938 330)
Net Assets	1 396 177	602 151	151 851	814 001
Less Prescribed Part Section 178A IA1986	(262 235)	(135 430)	(33 370)	(168 800)
Balance available for Floating Charge Holder	1 113 941	526 721	118 480	845 201
Felix Dennis	(1 477 768)	(281 960)	(1 215 808)	(1 477 768)
Surplus/Deficit to Floating Charge Holder	(363 827)	264 761	(1 097 328)	(832 567)
Prescribed Part Brought Down	282 235	135 430	33 370	168 800
Surplus after deduction of Floating Charge Brought down	-			-
Available to Unsecured Creditors	282 235	135 430	33,370	168 800
Unsecured Creditors				
Employee Entitlements (PILON and Redundancy)	(364 000)			(364 000)
Trade Creditors	(925 528)			(1 045 477)
F Dennis	(490 000)			(490 000)
H M Revenue & Customs	(250,827)			(168,083)
Total	(2 039 455)			(2 067 561)
Shortfall to Unsecured creditors	(1,767,220)			(1,898,760)
Estimated Return to Unsecured Creditors Pence in £				8 18

**Additional Information in Relation to Administrator's Fees Pursuant to  
Statement of Insolvency Practice 9**

**Appendix F**

**1 Policy**

Detailed below is ThorntonRones Limited'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 general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

On this case we have used the services of the following sub-contractors

Service	Sub-contractor	Rate of charge	Amount
Employee claims processing	Payco ERA Limited	Hourly rate agreed	£4,164.39
Book debt collection	ICSM	13% of first £5,000 realised (per debt), 8% of the balance	£2,736.26
Legal Advice	Simons Muirhead Burton	Time costs plus Disbursements	£20,067.17

## **1.2 Professional Advisors**

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

<b>Name of Professional Advisor</b>	<b>Basis of Fee Arrangement</b>
Simons Muirhead Burton (legal advice)	Hourly rate and disbursements
AUA Insolvency Risk Services (insurance)	Specific Bond
Payco ERA Limited (Employee Claims Handling)	Hourly rate and disbursements
ICSM (Debt Collection)	13% of 1 <sup>st</sup> £5,000 collected (per debt), 8% of the balance, plus disbursements
AgentCite Limited (valuation and disposal advice)	Percentage of Realisations, hourly rate and disbursements

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

## **1.3 Disbursements**

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of 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 personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

On this case the following Category 2 disbursements have been incurred since appointment.

<b>Type/Purpose</b>	<b>Cost/£</b>
Fax	6 00
Photocopying	240 70
<b>Total</b>	<b>246 70</b>

## **BUTLER, TANNER & DENNIS LIMITED - IN ADMINISTRATION**

### ***Charge-out Rates***

A schedule of ThorntonRones Limited charge-out rates and policy regarding the recharge of disbursements for this assignment effective from 1 April 2014 is attached as Appendix I



**ThorntonRones Limited****CHARGE OUT RATES & POLICY REGARDING THE RECHARGE OF DISBURSEMENT RECOVERY  
PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9****1 CHARGE-OUT RATES**

Work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. Details of charge-out rates effective from 1 April 2014 are as follows

Staff	(per hour)
Insolvency Practitioner	380
Director	300
Manager	295
Administrator 1	215
Administrator 2	185
Administrator 3	160
Administrator 4	140
Cashier	117
Support Staff	94

**2 DISBURSEMENT RECOVERY**

In accordance with Statement of Insolvency Practice 9 (SIP9) disbursements are categorised as either Category 1 or Category 2

**2.1 Category 1 Disbursements**

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case. Where these have initially been paid by ThorntonRones and then recharged to the case, approval from creditors is not required. The amount recharged is the exact amount incurred. Category 1 disbursements can be drawn without prior approval, although an office holder should be prepared to disclose information about them in the same way as any other expenses.

Examples of Category 1 disbursements include postage, case advertising, specific bond insurance, company search fees, case management software system, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

**2.2 Category 2 Disbursements**

Category 2 disbursements include elements of shared or allocated costs incurred by ThorntonRones and recharged to the case; they are not attributed to the case by a third party invoice and/or they may include a profit element. Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration. When seeking approval, an office holder should explain, for each category of expenses, the basis on which the charge is being made. Examples of Category 2 disbursements are photocopying, all business mileage, internal room hire and internal storage.

The firm's current policy is that it recharges Category 2 disbursements as follows

Expense	Recharge £
Meeting room hire – per meeting per hour	75.00
Reports / Letters etc – per creditor	3.25
Correspondence – per debtor	2.00
Photocopying – per copy	0.10
Facsimile transmission – per sheet	1.00
Scanned documents for 3 <sup>rd</sup> party use – per sheet	0.20
Mileage at HMRC approved rate – per mile	0.45

All costs are subject to VAT, where applicable and reflect the actual cost of the materials or services used.