

The Insolvency Act 1986

Administrator's progress report

Pursuant to Rule 2.38 of the Insolvency (Scotland) Rules 1986

Name of Company	Company number
The Natural House Company Scotland Limited	SC266880

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

We (a)

Keith Anderson
First Floor, Quay 2
139 Fountainbridge
Edinburgh EH3 9QG

David Menzies
First Floor, Quay 2
139 Fountainbridge
Edinburgh EH3 9QG

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

(b) Insert dates

From

(b) 13 April 2010

to

(b) 12 October 2010

Signed

Joint Administrators

Dated

12 November 2010

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

Ian Wilson

First Floor, Quay 2 139 Fountainbridge, Edinburgh EH3 9QG

Tel: (0131) 659 8382

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, 4th Floor, Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF

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COMPANIES HOUSE

THE NATURAL HOUSE COMPANY SCOTLAND - IN ADMINISTRATION

JOINT ADMINISTRATORS' PROGRESS REPORT

12 November 2010

1. PURPOSE OF REPORT

- 1.1 This report is prepared pursuant to Rule 2.38 of the Insolvency (Scotland) Rules 1986. The purpose of the report is to provide creditors with information relating to the progress of the administration from 13 April 2010 to 12 October 2010.

2. JOINT ADMINISTRATORS' APPOINTMENT

- 2.1 Keith V Anderson & David M Menzies of Baker Tilly Restructuring and Recovery LLP, First Floor, Quay 2, 139 Fountainbridge, Edinburgh, EH3 9QG were appointed Joint Administrators ("the Joint Administrators") of The Natural House Company Scotland Limited "the Company") on 13 October 2008 by the directors of The Natural House Company Scotland Limited.
- 2.2 The notice of appointment was filed at the Court of Session.
- 2.3 The Joint Administrators' appointment specified that they would have power to act jointly and severally. The Joint Administrators have exercised and will continue to exercise all of their functions jointly and severally as stated in the notice of appointment.
- 2.4 On 13 October 2008, Keith V Anderson and David M Menzies were also appointed as Joint Administrators of an associated company, The Natural House Company Limited.
- 2.5 On 12 October 2010 Mark N Ranson replaced David M Menzies as Joint Administrator of both The Natural House Company Scotland Limited and The Natural House Company Limited.

3. COMPANY DETAILS

- 3.1 The registered number of the Company is SC266880.
- 3.2 The Registered Office of the Company is C/O Baker Tilly, First Floor, Quay 2, 139 Fountainbridge, Edinburgh, EH3 9QG.
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4. RECEIPTS AND PAYMENTS SUMMARY

- 4.1 We attach as Appendix A, a receipts and payments summary for the period from 13 April 2010 to 12 October 2010.

5. DIVIDEND PROSPECTS FOR CREDITORS

- 5.1 We attach as Appendix B an estimated outcome statement.

Secured Creditors

- 5.2 The Royal Bank of Scotland plc have a debt totalling £1,400,000, together with accrued interest, secured by a standard security granted on 24 September 2004 in respect of land at Ryehaugh Bank, Galashiels, TD1 2EZ, a standard security granted on 23 January 2007 in respect of land at Huntshaw, Earlston, TD4 6AT and a Bond and Floating Charge granted on 15 July 2004. It is estimated The Royal Bank of Scotland will receive a dividend as a standard security holder of up to 11 pence in the pound. It is estimated that Royal Bank of Scotland will receive a dividend as a floating charge holder of up to 1 pence in the pound.
- 5.3 Allied Irish Bank have a debt of £292,139 secured by a floating charge granted on 25 June 2007 and a standard security over the site at Craik Farm Steadings, Craik, Robertson, Nr Hawick, TD9 7PS, granted on 24 August 2007. Graham & Sibbald valued the property in the sum of £150,000. There will therefore be no funds available for the unsecured creditors.

Preferential Creditors

- 5.4 Sixteen creditors have submitted claims as preferential creditors totalling £15,349. It is anticipated there will be a dividend payable to preferential creditors of 100 pence in the pound.

Ordinary Creditors

- 5.5 Forty nine creditors have submitted claims as ordinary creditors totalling £1,309,911. We do not anticipate there will be any dividend payable to ordinary creditors.

The Prescribed Part

- 5.6 Although we estimate there will be funds of £16,083 of which the ordinary creditors would be entitled to £6,217 in terms of the prescribed part, the Administrators are not proposing to make such a distribution. This is provided for under Section 176A(3) of the Insolvency Act 1986 on the basis that the net property is less than the £10,000 prescribed minimum and the Administrators are of the view that the cost of making such a distribution to ordinary creditors
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would be disproportionate to the benefits. As a result the remaining funds will simply flow to The Royal Bank of Scotland plc as floating charge holder.

6. CONDUCT OF THE ADMINISTRATION

- 6.1 Following appointment a number of meetings took place with the director and a Statement of Affairs was received from the director.
- 6.2 The position regarding the land and property at the following sites was established:
- Craik Farm Steadings, Craik, Robertson, Nr Hawick, TD9 7PS;
 - Ryehaugh Bank, Galashiels, TD1 2EZ;
 - Huntshaw, Earlston, TD4 6AT.
- 6.3 A number of meetings took place with the Royal Bank of Scotland plc and Graham & Sibbald to agree a sales strategy for the sites at Ryehaugh Bank, Galashiels and Huntshaw, Earlston.
- 6.4 The land at Ryehaugh Bank, Galashiels, TD1 2EZ per the Adopted Local Plan is currently allocated for a notional 10 units with a notional 20 units allocated to the adjoining site, which is owned by a third party. The Ryehaugh site was valued in March 2008 at £1.45m, based upon detailed planning permission being granted for 46 units on the combined site. At the date of administration, a planning application had not been submitted to the Scottish Borders Council. Prior to the appointment of the Administrators, Graham & Sibbald valued the combined development site, with detailed planning permission, at £470,000 with the value of the company's share of the combined site being £353,275. Graham & Sibbald valued the combined site, without planning permission at £300,000, with the company's share being £150,000.
- 6.5 It was agreed that the costs associated with pursuing detailed planning permission for the site did not make this strategy commercially viable and the site is currently being marketed without planning permission. It was established the company does not have ownership of the access strip to the site and the sum demanded by the owner to acquire the access strip exceeds the value of the land. Due to the access problems at Ryehaugh Bank, Graham & Sibbald advise that the estimated realisable value of the site is now £50,000.
- 6.6 An initial offer of £20,200 was made to the company by Scottish Borders Council in respect of the Waverley Line compulsory land purchase of a parcel of land at Ryehaugh Bank. Graham & Sibbald have assessed the compensation offer and following the submission of further information to Scottish Borders Council a revised compensation offer to the company of £31,192 has been agreed. The Administrators are awaiting receipt of the compensation payment from Scottish Borders Council.
- 6.7 The development at Huntshaw, Earlston, TD4 6AT has been substantially completed and of the original development of 10 plots, 3 remained unsold at the date of administration. Offers have been received for all 3 plots as
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unserviced plots. Plot 7 has now been sold and sales on the remaining plots are expected to be concluded shortly.

- 6.8 The access road at Huntshaw was in a state of disrepair and clarification of the work required to bring the road up the required standard to comply with the deed of conditions and planning permissions was obtained from Scottish Borders Council (SBC). The cost of the works required to comply with the deed of conditions is significantly in excess of the uplift in the value of the plots. The Administrators have therefore advised the purchasers of the 3 plots at Huntshaw that they will be obliged to contribute a share of the costs of completing the road and the sewerage pumping station.
- 6.9 Plant and machinery valued at £51,250 by Ryden has been sold for £50,957 (inclusive of VAT).
- 6.10 Based upon the company's records, book debts totalling £215,966 remained outstanding at the date of administration. A further investigation into the book debts has been carried out. Book debts amounting to £5,116 have been ingathered. The balance amounting to £210,850 is not recoverable.
- 6.11 Given the lack of equity in the property at Craik Steadings, it was sold to an associated company, Woodlands Asset Management Limited (WAM), for a nominal £1 with the Allied Irish Bank's standard security and floating charge against The Natural House Company Scotland Limited being discharged and security over the property granted by WAM in favour of Allied Irish Bank. The purchaser of the property made a contribution towards the costs of selling the property.
- 6.12 An investigation of the value of shares in an associated company, WAM was carried out and the shares were deemed to have no realisable value given that WAM has net liabilities. The shares were sold to the director of WAM for a nominal £1 in addition to a contribution towards the costs of transferring the shares to the purchaser.
- 6.13 Creditors were notified of the Administrators' appointment and provided with a copy of the Administrators' proposals for the company.
- 6.14 All statutory matters have been attended to.

7. ASSETS REMAINING TO BE REALISED

- 7.1 The site at Ryehaugh Bank, Galashiels continues to be marketed by Graham & Sibbald.
 - 7.2 The sale of plots 3 and 6 at Huntshaw requires to be completed.
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8. ADMINISTRATORS' PROPOSALS

- 8.1 Paragraph 3 to Schedule B1 to the Insolvency Act 1986 (as amended) sets out the purposes of an Administration. The Administrator must perform his functions with the objective of:
- (a) rescuing the company as a going concern, or
 - (b) 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
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors.
- 8.2 The Joint Administrators' proposals in relation to The Natural House Company Scotland Limited ("the Company") are set out below.
- 8.2.1 The Joint Administrators should realise the assets upon the terms they consider to be the most beneficial to creditors of the Company.
- 8.2.2 The Joint Administrators should arrange to distribute available funds from the realised assets to those creditors entitled to them in such manner as they consider will lead to an early distribution of the available assets in an economic manner.
- 8.2.3 The Joint Administrators be authorised to make such application to Court for directions as they consider appropriate with a view to achieving the purposes of the administration or their proposals.
- 8.2.4 The Joint Administrators propose that the administration be brought to an end when all the property and assets have been realised and distributed (after costs).
- 8.2.5 The Joint Administrators propose that the company exits the Administration by way of dissolution.
- 8.3 In accordance with Rule 2.25(3), the proposals shall be deemed to have been approved by the creditors should the creditors not have requested a meeting be convened in accordance with paragraph 52(1) of Schedule B1 of the Insolvency Act 1986 as referred to in section 1 above.
- 8.4 The Joint Administrators' circulated proposals for the conduct of the Administration on 4 December 2008 to creditors and notified creditors that in accordance with paragraph 52(2) of Schedule B1 of the Insolvency Act 1986 no meeting of creditors would be held. No requests for a meeting of creditors were received and the proposals were deemed approved without amendment upon the expiry of the statutory period on 16 December 2008.
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- 8.5 Based on the original valuations provided by Graham & Sibbald it was estimated that the properties at Huntshaw, Earlston and Ryehaugh Bank, Galashiels would realise £335,000 and £150,000 respectively. It is recognised that these figures will reduce given the level of the offers to purchase the plots which have been received to date. It has been necessary in the current economic climate to offer discounts on the selling price and due to the fact that the selling price of the plots at Huntshaw have been reduced as the obligation to contribute to the costs for the completion of the road and sewerage pumping station will fall to the purchasers of the plots.
- 8.6 Graham & Sibbald recommended a strategy of seeking the sale of the 3 remaining plots at Huntshaw by way of individual residential sales. The Joint Administrators' are satisfied that this approach remains appropriate.
- 8.7 Plot 7 at Huntshaw was sold during November 2009 for £65,000.
- 8.8 Offers have been received for both Plot 3 and Plot 6 at Huntshaw, which are acceptable to The Royal Bank of Scotland plc. As missives have not been concluded details of the offers are confidential at this stage.

9. EXTENSION OF THE ADMINISTRATION

- 9.1 The period of administration was initially extended to 12 April 2010 by consent of the secured creditor, being The Royal Bank of Scotland plc, in order to allow further time to fully realise the company's assets. On 27 August 2009, all creditors were notified of the extension of the administration period.
 - 9.2 Further extensions of the period of administration to 12 July 2010, 23 August 2010 and 23 November 2010 were granted by the Court of Session on 1 April 2010, 6 July 2010 and 4 August 2010, respectively.
 - 9.3 It is the Administrators' intention to seek a further extension of the period of administration in order to allow further time to complete the sale of the two remaining plots at Huntshaw, to ingather the compensation payment from Scottish Borders Council in respect of the compulsory land purchase at Ryehaugh Bank and to realise the remaining land at Ryehaugh Bank. It is not anticipated the remaining assets will be realised in the near future and it is the Administrators' intention to seek an extension period of six months from the Court, to complete the administration.
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10. ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

Time costs and fees drawn to date

- 10.1 As it is anticipated there will not be a return to unsecured creditors, the Joint Administrators have, in accordance with legislation, agreed their fees and disbursements with the secured creditor, The Royal Bank of Scotland plc. The basis of the Joint Administrators' remuneration was approved by creditors on 16 December 2008, when the following resolution was passed:

"The Joint Administrators shall be authorised to draw their remuneration based upon time costs incurred by them in the Administration, to be paid out of the assets of the Company in accordance with Rule 2.39 "by reference to the time properly given by the Administrators and their staff, in attending to matters arising in the administration."

- 10.2 To date we have drawn a total of £32,500 plus VAT on account of our time costs incurred.

Attached are the following:

- Appendix C: Baker Tilly Restructuring and Recovery LLP charging, expenses and disbursements policy statement.
- Appendix D: Time and charge out summary
- Appendix E: Charge out bands and disbursement rates
- Appendix F: Summary of payments to office holder and associated parties

- 10.3 A total of 417.60 hours have been spent by our staff in the administration of the estate from the date of appointment to 12 October 2010, at an average hourly charge out rate of £141.48 .

Analysis of time spent in administration of the estate

- 10.4 Our staff have carried out the following tasks:

a) Administration and Planning

- Dealing with the commencement of the Administration, including liaising with The Royal Bank of Scotland plc;
 - Following appointment a number of meetings took place with the director and a Statement of Affairs was received from the directors;
 - The statutory filing of appointment documents with Companies' House, requesting the submission of the Statement of Affairs and filing it at Companies' House, together with day-to-day administration duties;
 - Creditors were notified of the Administrator's appointment and provided with a copy of the Administrators' proposals for the company.
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b) Realisation of Assets

10.5 Asset realisation is considered to be a key aspect of the Administration. Our staff have been employed on various matters relating to the residential properties at Huntshaw, Earlstoun, TD4 6AT and the commercial site at Ryehaugh Bank, Galashiels including:

- A number of meetings have taken place with The Royal Bank of Scotland plc and agents, Graham & Sibbald to regularly review the sales strategy for the properties at Huntshaw and Ryehaugh Bank;
- Legal advice was sought on the validity of a retention of title claim by a creditor who installed the pump in the sewerage pumping station at Huntshaw;
- Legal advice was sought on the statutory obligation on the Administrators to complete the access road and sewerage pumping station at Huntshaw. The Company has a statutory obligation to develop the access road to a standard sufficient to meet existing planning conditions and the deed of permissions. There is no obligation on the Company to complete the sewerage pumping station. There is no statutory obligation on the Administrators to complete either the access road or the sewerage pumping station.
- The position regarding the extent of the work required to complete the access road and sewerage pumping station at Huntshaw was established.
- Legal advice on the boundaries of the site at Ryehaugh Bank, Galashiels and ownership of the access strip to the site has been obtained. Ownership of the access strip has been established although the sum payable to acquire the access strip exceeds the value of the land.
- Plant and machinery including 2 motor vehicles, sundry small hand tools, road making plant, a mini digger, a Manitou MRT 1542 and attachments, a trailer and office contents have been realised for the amount of £50,957 (inclusive of VAT).
- Two book debts totalling £5,116 have been ingathered.
- The property at Craik Steadings was sold to an associated company, Woodlands Asset Management Limited (WAM), for a nominal £1.
- The shares in an associated company, WAM were sold for a nominal £1.

c) Trading

10.6 The company ceased to trade prior to the company entering into administration on 13 October 2008. The Joint Administrators have not traded the company in administration.

d) Creditors

10.7 Queries from and correspondence with creditors and employees have been necessary aspects of the Administration process.

- The preparation of the Administrators' Proposals has been undertaken including the attendant aspects of providing and obtaining the required information.
- Creditors were notified of the Administrators' appointment and provided with a copy of the Administrators' proposals for the company.
- A retention of title claim was received in respect of the pump installed within the sewerage pumping station. Legal advice was obtained and the claim was rejected.

Administrators' Disbursements

10.8 The basis of the Joint Administrators' drawing disbursements was approved by creditors on 16 December 2008, when the following resolution was passed:

"The Joint Administrators be authorised to draw their disbursements and other expenses incurred by them in the Administration, to be paid out of the assets of the Company. Such disbursements to include "Category 2 disbursements" at the rates attached at Appendix H to the Proposal."

10.9 Disbursements drawn from the Company's assets in accordance with the resolution are detailed on Appendix E.



Keith V Anderson
Baker Tilly Restructuring and Recovery LLP
Joint Administrator

12 November 2010

Keith V Anderson and Mark N Ranson are licensed to act as Insolvency Practitioners in the UK by the Institute of Chartered Accountants of Scotland and the Institute of Chartered Accountants of England and Wales respectively

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

THE NATURAL HOUSE COMPANY SCOTLAND LIMITED - IN ADMINISTRATION

Appendix A

Receipts and Payments Abstract: - The Natural House Company Scotland Limited

All Bank, Cash and Cash Investment Accounts: From: 13/04/2010 To: 12/10/2010

SOA Value	£	13/04/2010 to 12/10/2010 £	TOTAL to 12/10/2010 £	£
	SECURED ASSETS			
0.00	Freehold Land & Property	0.00	1.00	
0.00	Freehold Land and Property	0.00	65,000.00	
		0.00		65,001.00
	COST OF REALISATIONS			
0.00	Legal Fees	0.00	(4,000.00)	
0.00	Legal Fees -Contribution from purchaser	0.00	4,000.00	
0.00	Office Holders Fees	(2,000.00)	(4,000.00)	
0.00	Office Holders Fees -Contribution from purchaser	0.00	2,000.00	
		(2,000.00)		(2,000.00)
	ASSET REALISATIONS			
0.00	Bank Interest Gross	13.09	67.84	
0.00	Book Debts (109)	0.00	5,116.19	
0.00	Discharge of std security over Plot 10, Huntshaw	2,000.00	2,000.00	
0.00	Insurance Refund	0.00	209.42	
0.00	Plant & Machinery	0.00	46,004.30	
0.00	Shares & Investments	0.00	1.00	
		2,013.09		53,398.75
	COST OF REALISATIONS			
0.00	Agents/Valuers Fees (1)	0.00	(9,822.80)	
0.00	Corporation Tax	(5.04)	(5.04)	
0.00	Fees	0.00	(2.00)	
0.00	Insurance of Assets	0.00	(1,355.99)	
0.00	Legal Fees (1)	(59,778.45)	(60,392.64)	
0.00	Office Holders Fees	(23,000.00)	(30,500.00)	
0.00	Office Holders Expenses	(9.30)	(9.30)	
0.00	Property Search Fees	(9.00)	(9.00)	
0.00	Re-Direction of Mail	0.00	(49.80)	
0.00	Registers of Scotland Fee	(75.00)	(90.00)	
0.00	Specific Bond	(44.00)	(98.00)	
0.00	Stationery & Postage	0.00	(7.00)	
0.00	Statutory Advertising	0.00	(63.45)	
0.00	Travel Expenses	0.00	(114.85)	
		(82,920.79)		(102,519.87)
0.00		(82,907.70)		13,879.88
	REPRESENTED BY			
	Current A/c		981.18	
	Funds due to Administrator		(2,394.00)	
	VAT Receivable (Payable)		15,292.70	
				13,879.88
				13,878.88

Appendix B

The Natural House Company Scotland Limited (In Administration)
Statement of Estimated Outcome as at 12 October 2010

	£	£
Asset realisations		
<u>Secured Assets</u>		
- Huntshaw, Earlston (note 1)	192,000	
- Ryehaugh Bank, Galashiels (note 2)	<u>81,192</u>	
		273,192
Less: Direct Costs		
Agents' selling fees/commissions (note 4)	(14,615)	
Legal Fees	(61,500)	
Administrators' Remuneration	(32,800)	
Less: Expenses of administration	<u>(4,100)</u>	
		<u>(113,015)</u>
		160,177
Less Secured Creditor - Royal Bank of Scotland		<u>(1,400,000)</u>
Shortfall to Royal Bank of Scotland - c/fwd to Floating Charge Holder		<u>(1,239,823)</u>
<u>Floating Charge Assets</u>		
Plant & Machinery	46,004	
Book Debts	5,116	
Transfer of interest in property at Craik Farm Steadings & shares in WAM (note 5)	2	
Insurance refund	209	
Bank Interest Gross	68	
Purchaser's contribution towards costs (note 5)	<u>6,000</u>	
	57,399	
Less: Costs of Realisation		
Agents' selling fees/commissions (note 4)	(2,367)	
Legal Fees	(13,500)	
Administrators' Remuneration	(9,200)	
Expenses of Administration	<u>(900)</u>	
	31,432	
Less Preferential Creditors	<u>(15,349)</u>	
	16,083	
Less prescribed part available to Ordinary Creditors (note 3)	<u>(6,217)</u>	
Amount available to Floating Charge Holder		9,866
Shortfall to Royal Bank of Scotland		<u><u>(1,229,957)</u></u>

Notes :

1. Estimated realisations based on valuations provided by Graham & Sibbald

2. Graham & Sibbald's valuation of £150,000 is based on the site as it is, with no detailed planning permission. Graham & Sibbald's valuation of the site with detailed planning permission is £350,000 (based on the site being combined with the adjoining site owned by Murray & Birrell and having a combined value of £470,000) The costs of obtaining detailed planning permission are estimated to be £50,000, to include outstanding architects fees to date £32,200 (the architect has a lien over the planning papers), additional architects fees of £3,500 to finalise the application and a planning application fee of £13,500. The ERV of the site is now £50,000.

A compensation payment of at least £31,192 for Waverley Line compulsory land purchase at Ryehaugh Bank together with a contribution towards agents sales commission in amount of £1,004 has been been agreed.

3. Prescribed part calculated as 50% of first £10,000 plus 20% of £16,083 assets available to FCH
(50% x £10,000) + (20% x £6,083)

We do not propose to make a payment to ordinary creditors via the prescribed part and consequently these funds will

flow to RBS as floating charge holder (refer to paragraph 5.6 of Progress Report)

4. Commission Fees have been calculated based upon the following:

Graham & Sibbald - 2% of realisable value Ryehaugh site, subject to min. £5k & 10% compulsory land purchase compensation @ £31,192;
£2.5k fixed fee per plot @ Huntshaw
Ryden - (plant & machinery) - 5% on gross realisations

5. The Purchaser made a contribution towards the costs of transferring the interest in the property at Craik Farm Steadings and the shares in WAM.

Appendix C

BAKER TILLY RESTRUCTURING AND RECOVERY LLP

CHARGING, EXPENSES AND DISBURSEMENTS POLICY STATEMENT

Charging policy

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

Expenses and disbursements policy

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

TIME AND CHARGE OUT SUMMARY

279550/800 Pre-appointment Administration

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs	Average Hourly rate £
Administration and Planning	12.9	27.5	0.3	2.4	43.1	£7,228.50	167.71
TOTAL HOURS	12.9	27.5	0.3	2.4	43.1		
TOTAL TIME COST	£3,225.00	£3,828.00	£19.50	£156.00		£7,228.50	
AVERAGE RATE £	250.0	119.6	65.0	65.0			167.71

279550/700 Administration

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs	Average Hourly rate £
Administration and Planning	6.2	81.0	30.2	4.4	121.8	£15,319.00	125.77
Investigations	0.2	1.3	0.0	0.0	1.5	£232.00	154.67
Realisation of Assets	12.5	137.0	0.2	0.0	149.7	£22,587.00	150.88
Trading	1.2	0.0	0.0	0.0	1.2	£300.00	250.00
Creditors	5.9	59.1	33.1	0.0	98.1	£13,028.00	132.80
Case Specific Matters	0.5	1.7	0.0	0.0	2.2	£389.50	177.05
TOTAL HOURS	26.5	280.1	63.5	4.4	374.50		
TOTAL TIME COST	£6,672.50	£39,797.0	£5,117.00	£269.00		£51,855.50	
AVERAGE HOURLY RATE £	251.79	142.08	80.58	61.13			138.47

COMBINED TOTAL HOURS/TIME COSTS
AVERAGE HOURLY RATE

Total Time Costs	Total Hours	Average Hourly rate £
£59,084.00	417.60	141.48

**The Natural House Company Scotland
Limited
279550/700 Administration**

**Administration and
Planning**

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs
1st creditors/shareholders meetings and reports	0.0	1.0	0.0	0.0	1.0	£140.00
Appointment	0.2	19.2	2.5	0.3	22.2	£2,950.00
Background information	0.1	2.9	0.0	0.1	3.1	440.00
Case Management	3.2	25.7	9.4	0.0	38.3	£5,025.00
Land and Property	0.2	2.8	0.0	0.0	3.0	£424.00
Other Creditor Meetings and Reports	0.0	2.4	0.0	0.0	2.4	£336.00
Pension Scheme	0.0	0.3	0.0	0.0	0.3	£42.00
Post-appointment - general	0.8	13.1	0.4	0.0	14.3	£2,077.00
Post-appointment taxation	0.4	5.1	4.5	0.0	10.0	£1,267.50
Pre-appointment matters	0.1	0.0	0.6	0.0	0.7	£64.00
Receipts and Payments	0.4	4.0	12.2	4.0	20.8	£1,709.50
ROT/ Third Party Assets	0.0	2.9	0.0	0.0	2.9	£381.00
Shareholders/Director/Debtor/ Bkpt	0.8	0.9	0.6	0.0	2.3	£365.00
Statement of Affairs	0.0	0.7	0.0	0.0	0.7	£98.00
Totals	6.2	81.0	30.2	4.4	121.8	£15,319.00

**The Natural House Company Scotland
Limited
279550/700 Administration**

Investigations

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs
Investigations/CDDA	0.2	1.3	0.0	0.0	1.5	£232.00
Totals	0.2	1.3	0.0	0.0	1.5	£232.00

**The Natural House Company Scotland
Limited
279550/700 Administration**

**Realisation of
Assets**

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs
Assets - general/other	1.2	18.8	0.2	0.0	20.2	£2,945.00
Chattels	0.1	1.1	0.0	0.0	1.2	£179.00
Debtors & sales finance	0.4	7.0	0.0	0.0	7.4	£1,080.00
HP/Leasing creditors	0.1	0.4	0.0	0.0	0.5	£81.00
Land and Property	10.1	107.5	0.0	0.0	117.6	£17,844.00
ROT/ Third Party Assets	0.6	2.2	0.0	0.0	2.8	£458.00
Totals	12.5	137.0	0.2	0.0	149.70	£22,587.00

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Trading

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs
Trading	1.2	0.0	0.0	0.0	1.2	£300.00
Totals	1.2	0.0	0.0	0.0	1.2	£300.00

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Creditors

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs
1st creditors/shareholders meetings and reports	0.6	0.0	0.0	0.0	0.6	£150.00
Employees	0.0	4.2	14.9	0.0	19.1	£2,526.50
Other Creditor Meetings and Reports	0.7	36.1	3.6	0.0	40.4	£5,579.00
Secured Creditors	3.7	14.7	0.0	0.0	18.4	£3,009.50
Unsecured Creditors	0.9	4.1	14.6	0.0	19.6	£1,763.00
Totals	5.9	59.1	33.1	0.0	98.1	£13,028.00

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**Case Specific
Matters**

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs
Legal Matters	0.5	1.7	0.0	0.0	2.2	£389.50
Totals	0.5	1.7	0.0	0.0	2.2	£389.50

Appendix E

BAKER TILLY RESTUCTURING AND RECOVERY LLP

EDINBURGH

CHARGE OUT RATE BANDS

	Charge out band as at date of appointment	Charge out band as at date of current report
Partners	£225 - £300	£225 - £300
Managers	£135 - £225	£135 - £225
Administrators	£75-135	£75-135
Assistants & Support Staff	£40-£75	£40-£75

It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it.

Baker Tilly Restructuring and Recovery LLP's charge out rates are reviewed periodically.

"CATEGORY 2" DISBURSEMENTS

Authority will be sought to recover the following costs as "Category 2" disbursements at the creditors' meeting

Fax	
Photocopying	
Internal room hire	
Subsistence	£23 per night
Travel (car)	38 pence per mile

Appendix F

**SUMMARY OF PAYMENTS TO OFFICE HOLDER AND
ASSOCIATED PARTIES**

AMOUNTS PAID OR PAYABLE TO THE OFFICE-HOLDER'S FIRM	
TYPE AND PURPOSE	£
Office Holders Fees	£32,500
Total	£32,500

AMOUNTS PAID OR PAYABLE TO ASSOCIATED PARTIES OF OFFICE-HOLDER	
TYPE AND PURPOSE	£
Total	

AMOUNTS PAID OR PAYABLE TO THE OFFICE-HOLDER'S SOLICITOR	
TYPE AND PURPOSE	£
Legal Fees & Disbursements	64,393
Total	64,393

AMOUNTS PAID OR PAYABLE TO THE OFFICE-HOLDER'S AGENT	
TYPE AND PURPOSE	£
Agents Fees/Selling Costs	9,823
Total	9,823