

# AM10

## Notice of administrator's progress report



Companies House

SATURDAY



\*A71WZKB4\*  
A21 17/03/2018 #19  
COMPANIES HOUSE

### 1 Company details

Company number 0 3 9 3 4 6 7 2

Company name in full Bright Ideas Studio Limited

t/as Seasons Restaurant and Coffee Lounge

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Andrew

Surname Pear

### 3 Administrator's address

Building name/number Arundel House1 Amberley Court

Street Whitworth Road

Post town Crawley

County/Region West Sussex

Postcode R H 1 1 7 X L

Country

### 4 Administrator's name ①

Full forename(s) Richard

Surname Keley

① Other administrator  
Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number Arundel House1 Amberley Court

Street Whitworth Road

Post town Crawley

County/Region West Sussex

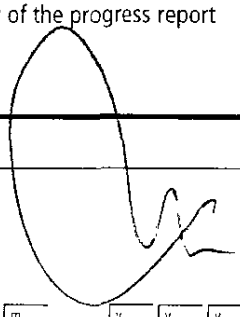
Postcode R H 1 1 7 X L

Country

② Other administrator  
Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

<b>6</b>	Period of progress report															
From date	d	2	d	9	m	0	m	9	y	2	y	0	y	1	y	7
To date	d	1	d	6	m	0	m	3	y	2	y	0	y	1	y	8
<b>7</b>	Progress report															
<input checked="" type="checkbox"/> I attach a copy of the progress report																
<b>8</b>	Sign and date															
Administrator's signature	Signature 															
Signature date	d	1	d	6	m	0	m	3	y	2	y	0	y	1	y	8

AM10

Notice of administrator's progress report



**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Sue Markham
Company name	BM Advisory
Address	Arundel House1 Amberley Court Whitworth Road
Post town	Crawley
County/Region	West Sussex
Postcode	R H 1 1 7 X L
Country	
DX	
Telephone	01293 410333 / 01293 428530



**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



**Important information**

All information on this form will appear on the public record.



**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.



**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

**TO THE MEMBERS AND ALL KNOWN CREDITORS**

Arundel House  
1 Amberley Court  
Whitworth Road  
Crawley RH11 7XL

T +44 (0)1293 410 333  
F +44 (0)1293 428 530

[www.bm-advisory.com](http://www.bm-advisory.com)

Our ref: SM/BRI002AP

16 March 2018

Dear Sirs

**Bright Ideas Studio Limited – In Administration (“the Company”)**

**Company Number: 03934672**

**High Court of Justice No. CR - 2017 - 007209**

**Registered Office: Arundel House, 1 Amberley Court, Whitworth Road, Crawley, West Sussex, RH11 7XL (formerly 30-34 North Street, Hailsham, East Sussex, BN27 1DW)**

Richard Keley and I, of BM Advisory of Arundel House, 1 Amberley Court, Whitworth Road, Crawley, West Sussex, RH11 7XL, were appointed Joint Administrators of the Company on 29 September 2017, following an application by the directors. The Notice of Appointment was filed in the High Court of Justice under reference number CR - 2017 - 007209.

The Joint Administrators have exercised all of their functions jointly and severally as stated in the Notice of Appointment.

The purpose of this final report is to inform creditors that the Administration will move to dissolution for the reasons set out below. Accordingly, I now provide creditors with a final account of the Administration, for the period 29 September 2017 to 16 March 2018 and a copy of form AM10 is attached. This report should be read in conjunction with my earlier reports to creditors, copies of which are available on request.

## **CONDUCT OF THE ADMINISTRATION**

The Company was incorporated on 28 February 2000 and commenced trading as a retailer at The Waterfront, Sovereign Harbour, Eastbourne BN23 5UZ. At the point of Administration the Company occupied units 2, 3, 4 and 7. The recession of 2008/09 had an adverse effect on the retail business and the Company diversified into designer goods, ladies shoes and ladies fashion. As the recession continued, the Company struggled to meet the high overheads associated with its premises.

In 2013, the directors, Mr Stephen and Mrs Christine Nock (“the Directors”) decided to create a food and drink offering in two of the units and continue the retail operations in the remaining two units. As the food and drink side of the business grew, the retail offering began to suffer and the Directors took the decision to close the retail side of the business but had to still pay rent for all four units. The Directors attempted to come to an arrangement with the landlord to release the Company from the lease of unit 7 since the rent obligations in respect of this unit had a detrimental impact on the Company’s profitability, however the landlord confirmed this was not possible.

In 2017, with increasing pressure from ill-health being suffered by one of the Directors and in light of the Company's financial situation, the Directors sought professional advice from BM Advisory to explore the options available which included securing additional funding, a Company Voluntary Arrangement, Creditors' Voluntary Liquidation or Administration which were all considered together with selling the business as a whole.

As outlined in the Administrators' proposals, the purpose of the Administration was to achieve a better result for creditors as a whole than would have been likely if the Company had been placed directly into Liquidation. This was accomplished by the pre-packaged sale of the business and assets of the Company to 4 Seasons Eastbourne Limited ("the Purchaser") for total consideration of £50,000 shortly after the appointment of the Administrators. The sale saved the jobs of the Company's workforce as the Company's 29 employees were transferred to the Purchaser in accordance with the provisions of the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE").

Following my appointment, time was spent monitoring the license to occupy which was granted to the Purchaser in respect of the trading premises at units 2, 3 and 4 for a period of 4 months from the completion of the sale. The lease for unit 7 was not required by the Purchaser and was surrendered by the Administrators on 14 November 2017. The Administrators spent time administering the licence and liaising with the Purchaser and landlord as required and ensured that all rent, service charges and insurance costs which accrued over the period of the licence were discharged in full. The Administrators also assisted with the assignments of the leases for units 2, 3 and 4 to the Purchaser once this had been agreed between the Purchaser and the landlord.

Further work undertaken during the Administration related to realising the cash at bank and included asking for the Company's bank account to be closed and for the remaining funds to be paid to the Administration estate account. I also issued the employees with notice of my appointment and confirmed to them that their employment had been transferred to the Purchaser under TUPE and subsequently dealt with any queries that the employees had. I also considered and investigated other potential assets which included instructing independent agents CAPA, to review and pursue any business rates rebates available to the Company on a contingent fee basis. It was concluded that there were no rebates available to the Company.

During the Administration, time has been spent time in fulfilling the statutory compliance and reporting obligations in order to bring the Administration to an end. Work included but was not limited to: case management, case progression which included periodic reviews, sending statutory notifications to members and creditors, issuing notice of my appointment to the Registrar of Companies, advertising notice of my appointment in the London Gazette and completing and submitting post appointment tax returns to HM Revenue & Customs which included arranging for the Company to be de-registered for VAT. I have also completed an investigation into the trading activities of the Company and the conduct of its directors and submitted my report. Time has also been spent in maintaining and processing the Administration bank account for receipts and payments to conclusion (including reviewing and billing fees and expenses as appropriate). I also sent notice of my appointment to The Pensions Regulator, Pension Protection Fund and NEST in regard to the Company's NEST defined contribution pension scheme. The Pensions Regulator has also been notified that the Company has ceased trading and no longer has any employees to auto-enrol into a workplace pension scheme.

The Joint Administrators' proposals attached at **Appendix I** were approved by correspondence on 26 October 2017. There has been no amendment or deviation from the proposals.

## **JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT**

Attached at **Appendix II**, is the Joint Administrators' receipts and payments account for this reporting period, 29 September 2017 to 16 March 2018 detailing a nil balance. The funds were held in an interest bearing estate account.

## **ASSETS**

### **Equipment**

The Directors estimated in their Statement of Affairs ("SoA") that £36,000 would be realised in respect of the Company's plant and machinery, fixtures and fittings and furniture and equipment. £36,000 was realised as part of the pre-packaged sale to the Purchaser on 29 September 2017.

### **Wet and Dry Stock**

It was estimated in the SoA that the residual closing wet and dry stock would realise £3,999. This sum was realised as part of the pre-packaged sale.

### **Property Leases**

It was estimated in the SoA that the property leases would realise £1. This sum was realised as part of the pre-packaged sale.

### **Wine Dispensers**

£6,300 was received from an independent third party for the purchase of two wine dispensers. This was more than anticipated in the proposals as the Company purchased the wine dispensers after finalising the lease agreement and settling all outstanding obligations in place with Investec.

### **Cash at Bank**

It was estimated in the SoA that the Company had cash at bank of £1,000 which was estimated to realise the same. The sum of £1,679.94 was received from Natwest Bank Plc.

### **Goodwill**

It was estimated in the SoA that the Company's goodwill would realise £10,000. This sum was realised as part of the pre-packaged sale.

### **Bank Interest**

Bank interest of £7.80 has been received.

## **LIABILITIES**

### **Secured creditor**

The Company does not have any secured creditors.

### **Preferential creditors**

There are no preferential creditors. Under the terms of the sale agreement, all employees of the Company were transferred to the purchaser under the Transfer of Undertakings (Protection of Employment) Regulations 2006.

### **Unsecured creditors – Trade and expense**

The directors' SOA estimated that the Company had trade and expense creditors totalling £322,168.33. The Joint Administrators have received claims totalling £304,037.30. No adjudication of these claims has been undertaken as there are insufficient funds to pay a dividend.

### **Unsecured creditors – HM Revenue & Customs ("HMRC")**

The directors' SOA estimated that the Company owed HMRC £41,369.65 in respect of unpaid VAT and PAYE. An initial claim totalling £8,863.80 has been received from HMRC in respect of under payments of PAYE. No adjudication of this claim has been undertaken as there are insufficient funds to pay a dividend.

### **Unsecured creditors – Landlord**

The directors' SOA estimated that the Company had pre-Administration liabilities to its landlord totalling £52,543.29 in respect of unpaid rent and service charges. No claim has been received.

## **DIVIDENDS**

A dividend has not been declared to any class of creditor as net asset realisations were insufficient to meet the costs and expenses of the Administration.

## **PRESCRIBED PART**

The Prescribed Part Fund is created out of the Company's net floating charge property pursuant to Section 176A of the Insolvency Act 1986 ("the Act"), as long as the floating charge was registered later than 15 September 2003.

As previously advised, there is no floating charge registered after 15 September 2003 and therefore the prescribed part did not apply.

## **JOINT ADMINISTRATORS' INVESTIGATIONS**

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking into account public interest and the potential recoveries and costs involved. I have recovered the Company's accounting records, obtained copy bank statements for the six months prior to my appointment and compared information in the Company's accounts with that in the statement of affairs. I have made enquiries where necessary and concluded that there were no matters that justified further investigation.

Within three months of my appointment as Administrator, I was required to submit a confidential report to the Secretary of State to include any matters which came to my attention during the course of my work, which may have indicated that the conduct of any past or present director would make them unfit to be concerned with the management of a company. I confirm that my report has been submitted.

## **PRE-ADMINISTRATION COSTS**

On 26 October 2017, creditors approved BM Advisory's pre-Administration costs by correspondence, in the amount of £22,500 and disbursements of £96.45 plus VAT.

Pre-Administration fees of £22,500 and disbursements of £93.43, plus VAT which relate to travel expenses, have been paid.

Pre-appointment agent's fees of £7,500 plus VAT and disbursements of £398.09 plus VAT have been paid in accordance with creditor approval to Key Appraisal Limited for their assistance in preparing an inventory of the assets of the Company and producing an independent valuation report and business sale memorandum for the Company. Key Appraisal also assisted in marketing and selling the business and assets of the Company to achieve the purpose of the Administration.

Further pre-appointment agent's commission of £5,000 plus VAT has been paid in accordance with creditor approval to Transagents for their assistance in identifying, contacting and introducing the Purchaser and subsequent input through the final stages of the sale process.

Pre-appointment solicitor's fees of £3,000 plus VAT and disbursements of £51 plus VAT have been paid in accordance with creditor approval to Fortis Law for their assistance in preparing the sale and purchase agreement documentation and acting for the Administrators in completing the sale.

Further pre-appointment solicitor's fees of £720 plus VAT and disbursements of £50 plus VAT were paid in accordance with creditor approval to Cognitive Law Limited, for their assistance in preparing the appointment documentation to place the Company into Administration, and to file the appointment documentation at Court.

## JOINT ADMINISTRATORS' REMUNERATION

It was agreed by correspondence on 26 October 2017, that the Joint Administrators be remunerated by reference to time properly spent by them and their staff in attending to matters arising in the Administration of the Company.

During this reporting period, from 29 September 2017 to 16 March 2018, a total of 160.60 hours have been spent at a cost of £36,688, resulting in an average hourly charge out rate of £228.44. This is compared to an anticipated 79.70 hours at an average hourly rate of £254.40, which I estimated at the outset of my appointment. A summary of my time costs for this reporting period and the work undertaken is attached at **Appendix III**, together with a comparison to the original fee estimate approved by creditors and BM Advisory's policy on fees.

The sum of £17,919.99 plus VAT has been drawn against these time costs to date, in this reporting period. The Joint Administrators' remuneration has been within the original fee estimate provided to creditors. As a result of the following work, time costs exceeded the original estimate, however, due to insufficient asset realisations I did not seek further fee approval and only drew remuneration up to my original estimate

- Monitoring and managing the licence to occupy in respect of the leasehold premises, including managing the collection and payment of rent, insurance and service charges which has taken more time than originally estimated, and assisting in the assignment of new leases to the Purchaser.
- Corresponding with the former employees and advising them of our appointment and their employment rights. This was not anticipated in our original estimate.
- Additional time spent on conducting a review of the books and records of the Company. The level of records received ranged over a number of years and took longer to review than originally anticipated.
- The level of creditors who had queries exceeded what was originally anticipated.

Detailed below are the expenses I expected to incur during the Administration and what I have incurred in this reporting period, together with details of what has been paid in this period and what remains unpaid.

		<b>Estimated total cost</b>	<b>Incurred in period</b>	<b>Incurred to date</b>	<b>Paid during period</b>	<b>Remains unpaid</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Statutory advertising	Category 1	142.00	68.70	68.70	68.70	0.00
Printing	Category 2	30.00	52.50	52.50	52.50	0.00
Postage	Category 1	85.00	59.85	59.85	59.85	0.00
Storage	Category 1	118.00	244.18	244.18	244.18	0.00
Bond	Category 1	162.00	162.00	162.00	162.00	0.00
Insurance	Category 1	0.00	168.00	168.00	168.00	0.00
<b>TOTAL</b>		<b>537.00</b>	<b>755.23</b>	<b>755.23</b>	<b>755.23</b>	<b>0.00</b>

The expenses incurred exceeded details originally given to creditors. This was as a result of obtaining open cover insurance which was put in place following our appointment as Administrators and remained in place until the completion of sale and was omitted in error from our original proposal. Also, it was not envisaged that the estimated cost for storage sale would be as high as they were. This was due to the volume of books and records of the Company received.

During the Administration, I instructed CAPA a professional agent to review and recover any available rates refunds. It was agreed that any appointment would be on a contingent fee basis based on a percentage of realisations. CAPA carried out all the appropriate checks and confirmed that they were unable to identify any recoverable amounts. No fees were paid to CAPA.

A guide to fees can be found at [www.bm-advisory.com/resources/](http://www.bm-advisory.com/resources/) and provides information relating to Administrators' remuneration. A hard copy is available on request.

Please note that any secured creditor, or unsecured creditor with concurrence of at least 5% in value of the total unsecured creditors, may request further information in respect of the Administrators' remuneration and expenses. This must be sent in writing to the Administrators within 21 days of receipt of this progress report.



Furthermore, any secured creditor, or unsecured creditor with at least 10% in value of the total unsecured creditors, is entitled to challenge the remuneration and expenses. Any challenge must be brought within eight weeks of receipt of this progress report.

### **ENDING THE ADMINISTRATION**

As there are insufficient funds to declare a dividend to unsecured creditors and no further assets to realise, the Administration is now complete and my files will be closed. As agreed by creditors in the Joint Administrators' Proposals, a notice was sent to the Registrar of Companies on today to move the Administration to dissolution. The Company will be deemed to be dissolved three months from the registration of the notice, a copy of which is attached at **Appendix IV**.

The Joint Administrators will be discharged from liability in respect of any act of theirs immediately after they cease to be Administrators of the Company.

### **FURTHER INFORMATION**

Information about our complaints procedure, Professional Indemnity insurance and the Provision of Services Regulations, can be found at [www.bm-advisory.com/about/legals-compliance/](http://www.bm-advisory.com/about/legals-compliance/). Should you require any further information, please do not hesitate to contact Sue Markham on 01293 452844 or email [sue.markham@bm-advisory.com](mailto:sue.markham@bm-advisory.com).

Yours faithfully

**For and on behalf of**

**Bright Ideas Studio Limited**



**Andrew Pear**

Joint Administrator

## ADMINISTRATORS' PROPOSALS

- (a) The Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration such that:
  - (i) they realise any cash and amounts held in the Company's bank account(s), administer the licence to occupy and review the possibility of any tax refunds and/or rate rebates due to the Company;
  - (ii) they dispose of the Company's ownership of such assets at such time(s) on such terms as they consider expedient;
  - (iii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company which supplies or has supplied goods or services to the Company;
  - (iv) in addition, they do all such things and generally exercise all their powers as Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals.
- (b) The Administration will continue (subject to the statutory provisions relating to automatic termination) until the realisable assets of the Company have been realised and all liabilities incurred during the Administration have been discharged or until such a time as deemed appropriate by the Administrators. Based on current information, it is anticipated that the Administration will end by:
  - (i) filing notice of dissolution with the Registrar of Companies. The Company will then be automatically dissolved three months after the notice is registered, or
  - (ii) placing the Company into Creditors' Voluntary Liquidation in order to facilitate a dividend payment to unsecured creditors, or
  - (iii) the presentation of a winding up petition to the Court for the compulsory liquidation of the Company, or
  - (iv) making an application to Court for an order that the Administration ceases, or
  - (v) giving notice to the Court, creditors and Registrar of Companies that the objective of the Administration has been achieved.
- (c) In the event that the Administration cannot be completed within twelve months and the Administrators are of the view that it is in the creditors' interest, they may propose to seek an extension of their appointment from the creditors and/or the Court pursuant to paragraph 76 of Schedule B1 to the Act.
- (d) In the event that the Administrators are of the view that it is appropriate for the Company to move from Administration into Liquidation, whether compulsory or voluntary, the Administrators be authorised to take steps to place the Company into whichever Liquidation process they, at their discretion, deem appropriate. In either circumstance, it is proposed that the Administrators would take the appointment as Joint Liquidators of the Company and that they will act jointly and severally in their duties. In relation to moving into Creditors' Voluntary Liquidation, and in accordance with paragraph 83(7), creditors may nominate a different person as the proposed Liquidator(s), provided that the nomination is made after the receipt of these proposals but before these proposals are approved.
- (e) The Administrators be at liberty to incur and pay such costs and expenses, including professional fees, as are considered to be incidental to the achievement of the purpose of the Administration or for the purposes set out herein or to the Administrators' statutory duties.
- (f) The Administrators propose to be remunerated by reference to time properly spent both for their services as Administrators and also for their staff in attending to matters as set out in their fee estimate. The Administrators' remuneration will be agreed by the Creditors' Committee or by creditors, in the event that no Committee is formed.
- (g) The Administrators be at liberty to recharge category 2 disbursements as detailed in the circulated Creditors guide to Administrators' fees.

- (h) The Administrators be at liberty to pay costs and remuneration in relation to proposals (e) and (f) above when funds become available.
- (i) The Administrators will consult with the creditors' committee, if formed, at appropriate intervals concerning the conduct of the Administration and the implementation of these proposals and where they consider it expedient, obtain the sanction of that committee on behalf of the creditors of the Company (and without further reference to the general body of creditors) to any proposed action on the part of the Administrators.
- (j) The Administrators be discharged from liability in respect of any act of theirs immediately after they cease to be Administrators of the Company.

## Joint Administrators' Summary of Receipts & Payments

(365,181.27)

(0.00)

NIL

# **BRIGHT IDEAS STUDIO LIMITED - IN ADMINISTRATION**

Summary of work undertaken during the period 29 September 2017 to 16 March 2018.

## **BM Advisory.**

Task	ORIGINAL ESTIMATE			REPORTING PERIOD		WHOLE PERIOD OF ADMINISTRATION	
	Estimated hours hrs	Estimated cost £	Average charge out rate £				
Administration and planning	5.80	1,666.00	287.24	21.80	4,414.50	202.50	202.50
Statutory compliance	39.20	10,300.00	262.76	71.70	17,749.50	247.55	247.55
Investigations	10.40	2,512.00	241.54	15.20	3,877.50	255.10	255.10
Asset realisations	1.80	440.50	244.72	5.60	1,616.00	288.57	288.57
Creditors	7.00	1,592.50	227.50	23.80	3,535.00	148.53	148.53
Case specific matters	15.50	3,765.00	242.90	22.50	5,495.50	244.24	244.24
<b>TOTAL</b>	<b>79.70</b>	<b>20,276.00</b>	<b>254.40</b>	<b>160.60</b>	<b>36,688.00</b>	<b>228.44</b>	<b>228.44</b>

A summary of the work undertaken in this reporting period is detailed below and was required to be undertaken to deal with the specific circumstances of the case, as well as meet our statutory duties obligations:

### **ADMINISTRATION AND PLANNING**

Strategy & planning - devising an appropriate strategy for dealing with the case and giving instructions to staff.

Opening, maintaining and managing the office holder's estate bank account.

Creating, maintaining and managing the office holder's cashbook.

Undertaking regular reconciliations of the office holder's estate bank account.

### **STATUTORY COMPLIANCE**

Setting up physical/electronic case files.

Setting up the case on insolvency practice management software and inputting necessary data.

Dealing with all correspondence and emails relating to the case.

Delivering statutory notifications to creditors and others as required on appointment, including advertising the office holder's appointment in the Gazette.

Conduct statutory searches to identify company pension schemes.

Deal with statutory obligations in relation to identified company pension schemes

Obtaining a specific penalty bond.

Convening and holding general meetings of members, and enacting decision procedures of creditors (as applicable).

Reviewing the adequacy of the specific penalty bond on a quarterly basis.

Undertaking periodic reviews of the progress of the case.

Overseeing and controlling the work done.

Preparing, reviewing and issuing progress reports to creditors and members.

Filing returns at Companies House and/or Court (as applicable).

Preparing and filing VAT returns.

Preparing and filing Corporation Tax returns.

Seeking closure clearance from HMRC and other relevant parties.

Preparing, reviewing and issuing final accounts/reports to creditors and members.

Filing final accounts/reports at Companies House and/or Court (as applicable).

### **INVESTIGATIONS**

Recovering the Company's books and records.

Scheduling the Company's books and records.

Preparing a report on the conduct of the directors as required by the Company Directors Disqualification Act.

Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.

Reviewing books and records to identify any suspicious transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors.

#### **ASSET REALISATION**

Arranging suitable insurance over assets.  
Regularly monitoring the suitability and appropriateness of the insurance cover in place.  
Liaising with the bank to recover any credit balances and closure of the accounts.  
Instructing specialised agents to review potential business rate refunds.

#### **CREDITORS**

Corresponding with employees regarding their employment following appointment.  
Dealing with all creditor correspondence, emails and telephone conversations regarding their claims.  
Maintaining up to date creditor information on the insolvency practice management system.

#### **CASE SPECIFIC MATTERS**

Undertaking work in order to administrator the licenses to occupy.  
Disclaiming leases as and when required.

#### **Notes:**

- 'Administration and planning' represents the work involved in the routine administrative functions of the case. It does not give direct financial benefit to the creditors, but has to be undertaken to meet our statutory requirements and obligations under the insolvency legislation and the Statements of Insolvency Practice.
- 'Statutory compliance and reporting' represents the work involved in the statutory functions of the case, together with the necessary control and supervision by senior staff. It does not give direct financial benefit to the creditors, but has to be undertaken to meet our statutory obligations.
- 'Investigations' represents the work required to comply with our statutory obligations and has no direct financial benefit to creditors unless there are potential recovery actions identified. Details of the investigations undertaken and outcomes are set out in the report. Our time exceed that estimated due to the amount of books and records of the Company received and had to be reviewed.
- 'Asset realisation' represents the work required to be undertaken to realise the known assets in the case for the benefit of the creditors, details of which are set out in the report.
- 'Creditors' represents the work required to deal with the various creditors of the Company and maintain records of each claim. All queries and correspondence are dealt with as part of our statutory obligations.
- 'Case specific matters' represents work undertaken in order to administer the licences to occupy and also includes the disclaiming of leases as and when required. This work will not give direct financial benefit to creditors, but will be required to meet the requirements and obligations of the Administrators.

## BM ADVISORY

### STATEMENT OF POLICY ON FEES IN INSOLVENCY PROCEEDINGS

#### Introduction

This statement has been prepared in accordance with guidelines set out in Statement of Insolvency Practice 9 issued by the Association of Business Recovery Professionals (R3).

The following information applies to all appointments of partners, directors, consultants or staff of BM Advisory, to act as any of the following:-

Liquidator, Receiver, Administrator or Administrative Receiver of a Limited Company or Limited Liability Partnership  
Trustee in Bankruptcy  
Supervisor of an Individual, Company or Partnership Voluntary Arrangement  
Administrator under the Insolvent Estates Order

When acting as Nominee, the provisions of the Insolvency Act 1986 ("the Act") require that the amount of the fees payable to the Office Holder be specified within the Debtor's proposals. Such fees will nevertheless be fixed to take account of the Office Holder's expected time costs arising as referred to below.

#### Policy on fees

In accordance with the Act, the Office Holder may seek approval of their remuneration either on a fixed fee basis, on a percentage basis or on a time costs basis. When an Office Holder's fees are charged by reference to time costs, they will be charged at the firm's usual rates applicable at the time the work is carried out. Rates may be varied from time to time, at the sole discretion of BM Advisory, and such changes will be notified in retrospect with each report to Creditors. It is the policy of BM Advisory to use as junior grade of staff as compatible with the efficient conduct of the matter in order to ensure costs are kept to a minimum. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.

As at 1<sup>st</sup> March 2014 the rates applicable are:

Grade	£
Partner 1	430
Partner 2	380
Associate Director	360
Senior Manager	340
Manager	310
Assistant Manager	285
Senior Administrator	240
Administrator 1	185
Administrator 2	155
Junior Administrator	125
Cashier	115
Support staff	85

Rates vary between individuals, reflecting experience and qualification. For certain more complex tasks, BM Advisory may seek to apply a higher rate in respect of work undertaken, but subject to prior authorisation in accordance with the Act.

Further information on the manner in which an Office Holder's fees may be fixed, can be found in the guidance notes on our website: [www.bm-advisory.com/resources/](http://www.bm-advisory.com/resources/).

#### Disbursements

Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the case or BM Advisory; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the case. These disbursements are recoverable in full from the case without the prior approval of creditors either by a direct payment from the case or, where BM Advisory has made payment on behalf of the case, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage and specific bond insurance.

Category 2 expenses are incurred by BM Advisory 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. These disbursements are recoverable in full from the case, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of Category 2 disbursements are photocopying, internal room hire and internal storage.

It is proposed that the following Category 2 disbursements are recovered:

Meeting room hire	Up to £200
Postage	£0.51 - £2.25
Mileage (per mile)	£0.45
Photocopies (per sheet)	£0.15
Storage (per box per month)	£0.35

The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.