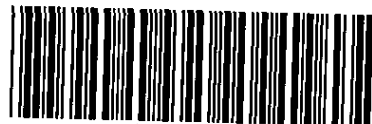


AM10

Notice of administrator's progress report

SATURDAY



A08 13/05/2017 #21
COMPANIES HOUSE

1 Company details

Company number 06126332

Company name in full Bournston (Stockton) Limited - in Administration

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

2 Administrator's name

Full forename(s) Anne Clare

Surname O'Keefe

3 Administrator's address

Building name/number AlixPartners Services UK LLP

Street The Zenith Building

26 Spring Gardens

Post town Manchester

County/Region

Postcode M21AB

Country United Kingdom

4 Administrator's name Ⓢ

Full forename(s) Ryan Kevin

Surname Grant

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

5 Administrator's address Ⓢ

Building name/number AlixPartners Services UK LLP

Street 35 Newhall Street

Post town Birmingham

County/Region

Postcode B33PU

Country United Kingdom

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

AM10

Notice of administrator's progress report

6 Period of progress report

From date	d 1	d 5	m 1	m 0	y 2	y 0	y 1	y 6
To date	d 1	d 4	m 0	m 4	y 2	y 0	y 1	y 7

7 Progress report

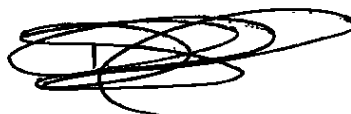
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

d 1	d 2	m 0	m 5	y 2	y 0	y 1	y 7
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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 **Oliver Gill**

Company name **AlixPartners Services UK LLP**

Address **The Zenith Building**

26 Spring Gardens

Post town **Manchester**

County/Region

Postcode **M 2 1 A B**

Country **United Kingdom**

DX

Telephone **0161 838 4541**



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 or email 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

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ①
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) Simon
Surname Wilson

3 Insolvency practitioner's address

Building name/number AlixPartners Services UK LLP
Street The Zenith Building
26 Spring Gardens
Post town Manchester
County/Region
Postcode M 2 1 A B
Country United Kingdom

Administrators' Progress Report for the period 15 October 2016 to 14 April 2017

Bournston (Stockton) Limited
In Administration

12 May 2017

Contents

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3. Progress of the Administration.....	3
4. Estimated outcome for creditors	6
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Appendix B.	Receipts and Payments Account for the period 15 October 2016 to 14 April 2017 and a Cumulative Account for the period since appointment
Appendix C.	Administrators' fees and pre-administration costs
Appendix D.	Administrators' expenses and disbursements
Appendix E.	Additional information in relation to the Administrators' fees
Appendix F.	Exit routes

1. Why this report has been prepared

- 1.1 As you will be aware Ryan Grant, Simon Wilson and Anne O’Keefe (the **Administrators**) were appointed on 11 June 2012.
- 1.2 In accordance with UK insolvency legislation, an administrator is required to provide a progress report covering the period of six months commencing on the date on which a company entered into administration and every subsequent period of six months. This progress report covers the period 15 October 2016 to 14 April 2017 (the **Period**), and should be read in conjunction with all previous reports.
- 1.3 This report has been prepared in accordance with rule 18.2 of the Insolvency Rules 2016.
- 1.4 The purpose of this report is to provide statutory and financial information about the Company and to provide an update on the progress of the Administration, including details of assets realised during the Period, details regarding the Administrators’ fees and the expected outcome for each class of creditor.
- 1.5 As a reminder an administrator of a company must perform their functions with a view to achieving one of the following statutory objectives:

Objective 1: rescuing a company as a going concern;

Objective 2: achieving a better result for a company’s creditors as a whole than would be likely if a company were wound up (without first being in administration); or

Objective 3: realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.6 In this case the Administrators are pursuing the second statutory objective. Further details on the actions taken to achieve that objective can be found in section 3 of this report.
- 1.7 Details of the Administrators’ fees and disbursements incurred are detailed at Appendices C to E.
- 1.8 More information relating to the Administration process, Administrators’ fees and creditors’ rights can be found on AlixPartners’ creditor portal (<http://www.alixpartnersinfoportal.com>). Log-in details to access this information can be found within the covering letter you have received.
- 1.9 If you require a hard copy of this report or have any queries in relation to the contents of this report or the Administration generally, please contact Oliver Gill on 0161 838 4541, by email at creditorreports@alixpartners.com, or write to AlixPartners’ office at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB.

2. Summary of information for creditors

Estimated dividend for creditors

Description	Estimated debt £	Likely level of return £
Secured creditor	27,800,000	Uncertain
Unsecured creditors	756,135	Nil

Notes:

The Company is part of a group (the **Group**) which included Bournston Estates Limited (**BEL**), Bournston (the Point at West Bridgford) Limited (the **Point**) and Bournston (South Street) Limited (**South Street**). BEL, the Point and South Street were all formerly in Administration. BEL is currently in compulsory liquidation, whilst the Point and South Street were dissolved on 15 September 2013 and 14 July 2015 respectively.

The secured creditor's debt is cross guaranteed across the Group and as such each company within the Group is jointly and severally liable for the entire amount. As a result, the full Group debt is included as a liability of the Company. To date, the secured creditor has received distributions from this Administration totalling £3.9 million, bringing total secured creditor distributions from the Group companies to £9.0 million.

The estimated debt for the secured creditor has been ascertained from the information provided shortly after the appointment; therefore, it does not include accrued interest and charges. The outcome for the secured creditor is currently uncertain and will be dependent on total asset realisations achieved in the Administration. However, it is expected that the secured creditor will suffer a shortfall.

As the Company had no employees, no preferential claims have been received or are expected.

The estimated debt for the unsecured creditors has been taken from the director's Statement of Affairs. Based on current information it is estimated that the Company's net floating charge property is nil. As such, there will be insufficient funds to facilitate a distribution to unsecured creditors.

For further information please refer to section 4 of this report.

3. Progress of the Administration

- 3.1 Attached at Appendix B is the Administrators' Receipts and Payments Account for the Period, together with a Cumulative Account for the period since appointment. All costs incurred to date have been paid, including property costs which continue to be met under the service charge that is in operation.
- 3.2 In addition to their statutory objective, the Administrators have duties imposed by insolvency and other legislation and their regulating professional bodies. The Administrators have set out information in respect of the progress of these duties in addition to that of the realisation of assets and distribution of available funds.

Realisation of assets – fixed charge

Rental income (trading)

- 3.3 Please see previous reports for background information relating to the student accommodation development based in Stockton-On-Tees (**Rialto Court**). The day to day management of Rialto Court is undertaken by Mezzino Limited (**Mezzino**). Jones Lang LaSalle (**JLL**) are assisting the Administrators to provide asset disposal and capital expenditure advice.
- 3.4 As at 14 April 2017, total rental income of approximately £9.3 million has been collected since the date of appointment. At the date of this report, Mezzino are holding approximately £25,000 of rental receipts which are in the process of being remitted to the Administrators. These additional rent receipts are therefore not reflected in the Receipts and Payments Account at Appendix B.
- 3.5 All capital expenditure and service charge required to maintain the asset is funded by ongoing trading income.
- 3.6 The Administrators' strategy remains to hold the asset and collect the guaranteed rental income, thereby maximising realisations whilst seeking a suitable purchaser for Rialto Court. To date, this strategy has allowed the Administrators to utilise the significant cash generated from holding the asset to make distributions to the secured creditor to reduce its indebtedness, whilst considering opportunities to enhance the value of the asset and exploring strategies for disposal.

Nominations agreement

- 3.7 The Company has a Nominations Agreement with Durham University (the **University**) which guarantees a minimum annual rent for a six year period to September 2019.
- 3.8 The Administrators were informed in February 2016 that the University was reviewing its strategy with respect to the Stockton-On-Tees campus, in which Rialto Court is situated.

- 3.9 It has been confirmed by the University that it plans to move all University led courses to Durham and intends to re-purpose the Stockton-On-Tees campus into an International Foundation College (**IFC**). The Administrators have held a number of discussions with the University during the Period to discuss and understand the University's future intentions for the property and how the operations of the IFC will impact the ongoing utilisation of Rialto Court.
- 3.10 During early 2017 the University confirmed the identity of the operator for the IFC and that the IFC will become operational in September 2017.

IFC

- 3.11 Rialto Court is expected to provide accommodation to University and/or IFC students during the remainder of the Nominations Agreement. In any event, the guaranteed rent for the period to August 2019 under the terms of the Nominations Agreement remains unaffected.
- 3.12 Any future Nominations Agreement after August 2019 will be at the sole decision of the operator of the IFC and is expected to be considered once the IFC has a more established trading record.

Property

- 3.13 As previously reported, the Administrators were moving forward with an offer from an interested party. However, as negotiations became protracted, this offer was rejected after the purchaser looked to reduce the offer to an unacceptable level.
- 3.14 Following rejection of the offer, in order to be able to take the property back to market, the Administrators required the University to confirm their intentions with regards to the re-purposing the Stockton campus and the role of the IFC.
- 3.15 During April/May 2017, as the situation with the IFC has become clearer, the Administrators are now in a position to move forward with the disposal strategy and are currently in discussions with the disposal agents to consider this, with a view of completing a sale by the end of 2017.
- 3.16 A further update will be provided in the next report.

Other matters

- 3.17 Bank interest totalling £95 has been received in the Period.

Administration (including statutory reporting)

- 3.18 In addition to their duties relating to realising and distributing the assets of the Company, the Administrators must comply with certain statutory compliance matters in accordance with the Insolvency Act 1986. These include, preparing bi-annual reports to creditors advising of the progress of the Administration and dealing with ongoing statutory filings. Where applicable, the Administrators are responsible for liaising with HMRC to determine the final position in respect of corporation tax, VAT and other taxes that may be owed by or to the Company, and for filing tax returns for the duration of the Administration.
- 3.19 In order to ensure the matters of the Administration are being progressed sufficiently, the Administrators have a duty to conduct periodic case reviews and complete case checklists. In addition, the Administrators' treasury function will also comply with cash accounting requirements including raising payments, processing journal vouchers and posting receipts, preparing bank reconciliations and statutory returns.
- 3.20 The time taken for statutory tasks is largely fixed, insofar as the cost of preparing a report to creditors or filing an annual return is similar for most cases, except where cases are very large or complex. Where the costs of statutory compliance and reporting to creditors exceeds the initial estimate, it will generally be because the duration of the case has been longer than expected, due to for example protracted realisation of assets, and therefore additional periodic reports have had to be prepared and distributed to stakeholders.

4. Estimated outcome for creditors

Secured creditor – AIB Group (UK) Plc

- 4.1 Details of the security held by the secured creditor and individual indebtedness of the Company has been provided in previous reports.
- 4.2 The Company is part of a Group, for which the secured creditor's debt totals approximately £27.8 million. Each company in the Group is jointly and severally liable for the entire debt and to date distributions totalling £9.0 million have been made to the secured creditor from the combined insolvency processes of the Group companies. Whilst the final outcome to the secured creditor is uncertain in light of the rental income and property disposal process, it is expected the *secured creditor will suffer a shortfall.*

Preferential creditors

- 4.3 The Company had no employees and as a consequence, no preferential claims have been received.

Unsecured Creditors' Fund

- 4.4 Where there is a floating charge which was created on or after 15 September 2003, the Administrators are required to create a fund from the Company's net property available for the benefit of unsecured creditors (**Unsecured Creditors' Fund**), commonly known as the 'Prescribed Part'.
- 4.5 Based on present information, the Administrators estimate the value of the Company's net floating charge property to be nil and consequently the Unsecured Creditors' Fund will be nil, resulting in no funds available for a distribution to unsecured creditors.

5. What happens next

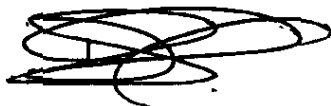
Creditors' rights

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

Next report

- 5.3 The Administrators are required to provide a progress report within one month of the end of the next six months of the Administration, or earlier if the Administration has been finalised. For details of the proposed exit route please see Appendix F.

For and on behalf of
Bournston (Stockton) Limited



Ryan Grant
Administrator

Encs

Appendix A. Statutory information

Company information

Company name	Bournston (Stockton) Limited
Registered number	06126332
Registered office	The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	Ossington Chambers, 6-8 Castle Gate, Newark, Nottinghamshire, NG24 1AX
Trading address	Rialto Court, 66 Bridge Road, Stockton Tees, TS18 3DG
Trading name	Bournston (Stockton) Limited
Court details	High Court of Justice, Chancery Division, Birmingham District Registry
Court reference	6371 of 2012

Appointor's information

Name	Address	Position
Paul Kilmister	c/o Ossington Chambers, 6-8 Castle Gate, Newark, Nottinghamshire, NG24 1AX	Director

Administrators' information

Name	Address	IP number	Name of authorising body
Ryan Kevin Grant	c/o AlixPartners, 35 Newhall Street, Birmingham, B3 3PU	009637	Insolvency Practitioners Association
Anne Clare O'Keefe	c/o AlixPartners, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	008375	Insolvency Practitioners Association
Simon Wilson	c/o The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	008963	Insolvency Practitioners Association

In accordance with paragraph 100(2) of schedule B1 of the Insolvency Act 1986, all functions of the Administrators are to be exercised by any or all of the Administrators. All references to the Administrators should be read as the Joint Administrators.

Extension of Administration

The Administration was initially extended for a period of six months with the consent of the secured creditor, meaning the Administration was due to end on 10 December 2013.

A further extension request for a period of two years was completed by court application in December 2013. This was approved and meant that the Administration was due to end on or before 10 December 2015.

A further court application was approved in December 2015 to extend the Administration for a period of twelve months, meaning it was due to end on or before 10 December 2016.

A further application was approved by the court to extend the Administration by a further two years in November 2016, meaning the Administration will now end on or before 10 December 2018.

Appendix B. Receipts and Payments Account for the period 15 October 2016 to 14 April 2017 and a Cumulative Account for the period since appointment

Statement of Affairs £	Period £	Cumulative £
Fixed charge assets		
Receipts		
12,000,000 Property	-	-
Pre appointment rental income	-	175,896
Service charge refund	-	50,100
Rental income 11/12	181	55,572
Rental income 12/13	-	1,809,624
Rental income 13/14	-	1,743,415
Rental income 14/15	-	1,841,541
Rental income 15/16	-	1,993,376
Rental income 16/17	1,395,563	1,750,290
Other rental income	2,144	68,688
Bank interest	95	8,608
	1,397,983	9,497,111
Payments		
Service charge costs	396,307	3,043,362
Agents' fees	-	58,181
Capital expenditure	84,372	523,887
Building inspection and repair works	-	91,217
Pre-appointment legal fees	-	5,544
Legal fees and disbursements	63,330	181,666
Administrators' pre-appointment fees	-	9,511
Administrators' fees	25,000	425,000
Category 1 disbursements:		
Specific penalty bond	-	1,250
Travel and subsistence	-	2,234
Telephone charges	-	92
Storage costs	-	4
Stationery and postage	-	32
Redirection of mail	-	147
Data protection costs	-	70
Category 2 disbursements:		
Internal printing and photocopying	-	1,103
Mileage	-	581
Irrecoverable VAT	54,634	268,218
Professional fees	15,486	58,173
Bank charges	-	45
	(639,128)	(4,670,317)
Distributions		
Fixed chargeholder	668,000	3,910,355
	(668,000)	(3,910,355)
Balance of fixed charge assets	90,854	916,439

Bournston (Stockton) Limited – In Administration (the Company)

Statement of Affairs £	Period £	Cumulative £
Floating charge assets		
Receipts		
VAT refund	-	434
Cash held on appointment	-	58
Rates refund	-	2,275
Other income	-	186
Bank interest	-	56
	-	3,009
Payments		
Preparation of Statement of Affairs	-	150
Category 1 disbursements:		
Stationery and postage	-	14
Insolvency bond	-	30
Statutory advertising	-	92
Bank charges	-	37
	-	(323)
Balance of floating charge assets	-	2,686
Total balance		919,125
Represented by		
Interest bearing accounts		919,125
		919,125

Note: The above is subject to small rounding differences. The Company is not able to recover all VAT incurred on payments and therefore an element of the VAT is irrecoverable.

Appendix C. Administrators' fees and pre-administration costs

Fees

A copy of 'A Creditors' Guide to Administrations' can be downloaded from AlixPartners' creditor portal (<http://www.alixpartnersinfoportal.com>). If you would prefer this to be sent to you in hard copy please contact the Administrators and they will forward a copy to you.

Approval of the Administrators' fees has been sought in accordance with rule 2.106 of the Insolvency Rules 1986. On 27 July 2012 the secured creditor approved that the basis of the Administrators' fees be fixed by reference to the time properly spent by the Administrators and their staff on matters arising in the Administration.

To date, fees totalling £425,000 have been drawn on account. Of this amount, £115,000 has been drawn in respect the supervision of trading, which has included the ongoing management of rental collections with Mezzino.

Administrators' details of time spent to date

The Administrators' time costs for the Period are £25,786. This represents 81 hours at an average rate of £319 per hour. Detailed below is a Time Analysis for the Period which provides details of the costs incurred by activity and by staff grade.

	Employee grade (hours)				Hours incurred	Cost incurred	Average rate per hour
	Managing director/ director	Vice president	Associate/analyst	Junior analyst/ support			
Administration and planning							
Strategy and control	2.0	-	-	-	2.0	919.50	460
Statutory duties	-	-	2.7	-	2.7	762.00	286
Case information	-	-	3.5	-	3.5	495.50	199
Accounting and treasury	-	0.2	1.0	1.0	2.2	446.00	204
Travel and writing time	4.5	-	-	-	4.5	2,082.50	463
Internal documentation	-	0.5	2.8	-	3.3	843.50	254
Investigations							
Director conduct reports	0.2	-	-	-	0.2	93.00	465
Realisation of assets - fixed charge							
Asset realisation strategy	-	-	1.5	-	1.5	457.50	305
Asset identification and valuation	-	-	0.5	-	0.5	135.00	270
Asset accounting and administration	0.5	0.4	-	4.6	5.5	1,067.00	183
Realisation of assets - floating charge							
Asset realisation strategy	1.2	-	-	-	1.2	558.00	465
Sale of assets	1.1	-	-	-	1.1	511.50	465
Asset accounting and administration	0.3	0.1	-	0.4	0.8	213.50	267
Trading							
Trading strategy	2.3	-	11.7	-	14.0	4,711.50	315
Trading activities	4.4	-	8.0	-	9.4	3,451.00	367
Accounting and administration	-	0.3	1.3	1.0	2.6	611.50	218
Creditors							
Reporting to creditors	6.4	0.9	9.9	-	17.2	5,832.50	339
Secured creditors	1.5	0.2	5.5	0.3	7.5	2,482.00	331
Total	25.1	2.6	15.7	7.1	50.5	25,786.00	319

Bournston (Stockton) Limited – In Administration (the Company)

A cumulative time analysis from the date of the Administrators' appointment to the end of the Period is set out below.

	Employee grade (hours)				£		Average rate per hour
	Managing director/ director	Vice president	Associate/ analyst	Junior analyst/ support	Hours incurred	Cost incurred	
Administration and planning							
Planning	-	0.4	-	7.2	7.6	992.00	131
Strategy and control	38.7	11.8	11.5	6.2	66.2	21,642.00	332
Statutory duties	2.3	4.0	10.5	4.8	21.7	5,099.00	235
Case administration	2.0	-	13.1	12.9	28.0	5,526.00	197
Accounting and treasury	3.1	4.8	15.8	98.3	119.2	14,943.00	125
Travel and waiting time	40.1	5.5	-	2.0	47.6	18,893.50	397
Internal documentation	1.5	2.1	17.6	11.3	32.5	6,764.50	208
Investigations							
Director conduct reports	13.6	3.7	4.9	3.0	25.2	7,857.00	312
Other investigations	0.8	3.0	-	-	3.8	1,121.00	295
Internal documentation	0.2	-	1.2	-	1.4	343.00	245
Realisation of Assets - fixed charge							
Asset realisation strategy	30.2	106.3	5.9	-	142.4	43,417.00	305
Asset identification and valuation	19.8	0.4	32.8	0.1	53.1	16,528.00	311
Sale of assets	104.1	2.3	19.1	0.2	125.7	51,101.50	407
Asset accounting and administration	3.5	4.4	0.8	9.5	24.2	5,434.50	224
Realisation of Assets - floating charge							
Asset realisation strategy	1.5	-	-	-	1.5	476.50	451
Asset identification and valuation	-	0.3	0.5	0.6	1.8	366.50	304
Sale of assets	1.8	-	-	-	1.8	844.50	444
Recovery of assets	-	0.3	-	-	0.3	108.00	360
Asset accounting and administration	0.4	1.1	0.8	1.4	3.7	776.50	210
Trading							
Trading strategy	20.4	108.9	130.9	13.6	263.8	69,183.50	260
Trading activities	56.3	14.8	29.3	24.3	124.7	37,488.00	294
Accounting and administration	1.8	0.4	44.5	21.9	68.6	12,552.50	194
Creditors							
Internal documentation	17.4	-	-	1.1	18.5	7,277.00	393
Creditor strategy	1.0	-	-	-	1.0	415.00	415
Reporting to creditors	61.8	14.1	80.7	21.8	158.4	52,894.00	293
Creditor meetings	2.0	-	-	-	2.0	820.00	415
Secured creditors	38.3	100.6	28.8	2.4	171.3	51,454.50	300
Unsecured creditors	-	1.9	2.0	5.5	9.4	1,649.50	175
Employees	-	-	0.2	-	0.2	46.00	230
Shareholders and other stakeholders	0.3	-	-	-	0.3	118.50	395
Totals	461.0	257.3	417.0	231.0	1,366.3	437,342.50	313

Narrative explanations of the work undertaken during the Period are provided in section 3 of this report.

Appendix D. Administrators' expenses and disbursements

Expenses of the Administration

An analysis of the costs paid to date, together with those incurred but not paid as at the end of the Period is provided below.

	Paid in prior period £	Paid in the period £	Incurred but not paid £	Total anticipated cost £
Legal costs	118,336	63,330	-	Uncertain
Property holding costs (CAPEX) *	439,515	84,372	-	Uncertain
Professional fees	42,687	15,486	-	Uncertain
Total	600,538	163,188	-	Uncertain

* Property holding costs are the costs incurred whilst preserving the asset. These include insurance, security, utilities, business rates and repairs and maintenance.

Administrators' disbursements

Category 1 disbursements of £3,843 have been drawn on account. Approval to draw category 2 disbursements has been given by the secured creditor and £1,684 have also been drawn in relation to the below:

- photocopying – charged at the rate of 10 pence per sheet for notifications and reports to creditors and other copying.
- printing – charged at the rate of 10 pence per sheet for black and white printing and 15 pence per sheet for colour; and
- business mileage for staff travel – charged at the rate of 45 pence per mile.

Appendix E. Additional information in relation to the Administrators' fees

Policy

Detailed below is AlixPartners' policy in relation to:

- staff allocation and the use of sub-contractors;
- professional advisors; and
- disbursements.

Staff allocation and the use of sub-contractors

The Administrators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The case team will usually consist of a managing director, a vice president, an associate and an analyst. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Administrators' charge-out rate schedule overleaf provides details of all grades of staff.

With regard to support staff, time spent by treasury staff in relation to tasks such as recording transactions and dealing with bank accounts is charged but secretarial time is only recovered if a large block of time is incurred, eg report compilation and distribution.

The Administrators have not utilised the services of any sub-contractors in this case.

Professional advisors

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

Name of professional advisor	Basis of fee arrangement
Squire Patton Boggs LLP (legal advice)	Hourly rate and disbursements
Willis Towers Watson Limited (insurance)	Risk based premium
GVA Grimley Limited (valuation and disposal advice)	Hourly rate, fixed fees and disbursements
Mezzino Limited (managing agent)	Agreed monthly rates and disbursements
Jones Lang LaSalle (asset disposal)	Percentage of realisations

The Administrators' choice was based on their perception of the professional advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of their fee arrangement with them.

Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case eg postage, case advertising, invoiced travel and external printing, room hire and document storage. Any properly reimbursed expenses incurred by the Administrators and their staff will also be chargeable.

Category 2 disbursements do require approval prior to being paid and will be drawn in accordance with the approval given, they may include business mileage for staff travel – charged at the rate of 45 pence per mile.

Charge-out rates

A schedule of AlixPartners' charge-out rates for this assignment effective from 1 January 2017 is detailed below. Time is charged by managing directors and case staff in units of six minutes.

Description	Rates from 1 January 2017 £	Rates pre 1 January 2017 £
Managing director	465-510	450-490
Director	445	430
Vice president	385	295-370
Associate	270-305	260-295
Analyst	155-270	150-260
Treasury and support	90-175	85-170

Appendix F. Exit routes

Dissolution of the Company

The Company has no property to permit a distribution to its unsecured creditors. The Administrators will therefore file a notice, together with their final progress report, at court and with the Registrar of Companies for dissolution of the Company. The Administrators will send copies of these documents to the Company and its creditors. The appointment will end following the registration of the notice by the Registrar of Companies.

Discharge from liability

The secured creditor approved on 27 July 2012 that the Administrators will be discharged from liability under paragraph 98 of schedule B1 of the Insolvency Act 1986 directly after their appointment as Administrators ceases to have effect.