

The Insolvency Act 1986

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

Name of Company	Company number
H & J Forbes Limited	01985539
In the	Court case number
Newcastle upon Tyne District Registry [full name of court]	0744 / 2013

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

We,  
 Andrew Little  
 8 High Street  
 Yarm  
 Stockton on Tees TS15 9AE

Peter W Gray  
 8 High Street  
 Yarm  
 Stockton on Tees TS15 9AE

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) Insert date

11/9/13

Signed

Joint Administrator

Dated

11/9/13

**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 searches of the public record.

Iain Townsend	
Rowlands, 8 High Street, Yarm, Stockton on Tees, TS15 9AE	
Tel 01642 790790	
DX Number	DX Exchange

When you have completed and signed this form please send it to the Registrar of Companies at

Companies House, Crown Way, Cardiff, CF14 3UZ

DX33050 Cardiff

MONDAY



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16/09/2013

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COMPANIES HOUSE

**IN THE NEWCASTLE UPON TYNE DISTRICT REGISTRY**

**NO 0744 OF 2013**

**H. & J. FORBES LIMITED - IN ADMINISTRATION**

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**JOINT ADMINISTRATORS' PROPOSALS AND REPORT**

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**ANDREW LITTLE AND PETER W GRAY  
JOINT ADMINISTRATORS**

**APPOINTED 19 JULY 2013**

**ROWLANDS  
8 HIGH STREET  
YARM  
STOCKTON ON TEES, TS15 9AE**

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## **1. PURPOSE OF THE REPORT**

The Administrators are pleased to present their Proposals and Report pursuant to paragraph 49 of schedule B1 to the Insolvency Act 1986, ("the Act") and Rule 2.33 of the Insolvency Rules 1986, as amended ("the Rules").

This proposal has been prepared solely to comply with the statutory requirements of paragraph 49 of schedule B1 to the Act. It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the company. Any estimated outcomes for creditors are illustrative and may be subject to significant change. Neither the Administrators nor Rowlands accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this proposal.

## **2. STATUTORY INFORMATION**

Andrew Little and Peter W Gray of Rowlands, 8 High Street, Yarm, Stockton on Tees, TS15 9AE were appointed Joint Administrators of H. & J Forbes Limited on 19 July 2013 by the directors of the company

The notice of appointment was filed in the Newcastle upon Tyne District Registry under reference number 0744 of 2013.

We attach as Appendix A an extract of statutory information from the company's file held at Companies House.

## **3. EVENTS LEADING UP TO THE ADMINISTRATION**

### **3.1 Brief background**

The company is a long established, well regarded manufacturing joinery company based in Middlesbrough. The company was incorporated on 04 February 1986 and has traded successfully since then until very recently.

The company developed a niche market for high quality bespoke shop fitting joinery.

In the 1980's and 1990's the company worked with a number of large organisations including Barclays Bank and some other national companies including the major Public House Companies. The work for these large organisations mostly involved large refit works across the whole of the country. At this time the company was very profitable and amassed significant reserves.

By the late 2000's the marketplace had changed. Banks were not undertaking large refit works and other marketplaces were in decline. The company continued to work for Public House Companies but the scale of the works had reduced. The company also stopped working as the main contractor on these works but became a subcontractor with consequent squeezes on margins and extended credit terms.

During 2011 and 2012 the company contracted and turnover fell. There were only two or three main customers. Debtor days increased to 90 plus days on a number of contracts. The bank overdraft facilities were withdrawn and the company relied upon reserves for working capital.

Despite the best efforts of the directors the customer base did not increase and, in line with the economic downturn, the number of tenders and opportunities declined. In 2013

## **H. & J. Forbes Limited - In Administration Joint Administrators' Proposals and Report**

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there was less work available and the directors sought to review the structure of the company.

A number of tenders were received but the works were delayed or cancelled and it became apparent that the company could not continue to operate in the manner it had done in the past. However, as a result of the very loyal and long serving workforce, it soon became apparent that the company did not have sufficient working capital to restructure the workforce to meet the new financial landscape.

During June 2013 there was a further drop off in work which could not be countered. As a result the directors sought advice from Rowlands and the decision was taken to place the company into administration.

Andrew Little and Peter W Gray of Rowlands, 8 High Street, Yarm, Stockton on Tees, TS15 9AE were appointed Joint Administrators ("Joint Administrators") of H. & J. Forbes Limited on 19 July 2013 by the directors of the company.

The notice of appointment was filed in the Newcastle upon Tyne District Registry under reference number 0744 of 2013.

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.

### 3.2 Company's trading history

Relevant extracts from the company's audited financial statements and management accounts are summarised below.

**Profit & Loss Account**

	Year Ended 30 Sep 11 £	Year Ended 30 Sep 10 £	Year Ended 30 Sep 09 £
<b>Turnover</b>	1,255,856	1,646,288	2,340,740
Cost of sales	(1,074,505)	(1,312,910)	(1,719,537)
<b>Gross profit</b>	181,351	333,378	621,203
Administrative expenses	(417,001)	(472,928)	(582,864)
Other operating income	-	-	75
<b>Operating profit/(loss)</b>	(235,650)	(139,550)	38,414
Other interest receivable and similar income	117	285	3,077
Interest payable and similar charges	(2,318)	(3,083)	(3,399)
<b>Profit/(Loss) on ordinary activities before taxation</b>	(237,851)	(142,348)	38,092
Tax on profit/(loss) on ordinary activities	23,050	580	(8,930)
<b>Profit/(Loss) for the year</b>	(214,801)	(141,768)	29,162

**Balance Sheet**

	Year Ended 30 Sep 11 £	Year Ended 30 Sep 10 £	Year Ended 30 Sep 09 £
<b>Fixed assets</b>			
Tangible assets	61,478	73,025	86,602
<b>Current assets</b>			
Stocks	27,963	124,373	13,400
Debtors	467,208	343,994	463,462
Cash at bank and in hand	213,553	588,545	847,327
Total current assets	708,724	1,056,912	1,324,189
<b>Creditors: amounts falling due within one year</b>	(289,823)	(234,589)	(377,892)
<b>Net current assets</b>	418,901	822,323	946,297
Total assets less current liabilities	480,649	895,348	1,032,899
Creditors: amounts falling due after more than one year	(9,852)	(9,750)	(4,953)
Provision for liabilities	-	-	(580)
<b>Net assets</b>	470,797	885,598	1,027,366
<b>Capital and reserves</b>			
Called up share capital	1,200	2,000	2,000
Other reserves	800	-	-
Profit & loss account	468,797	883,598	1,025,366
<b>Shareholders' funds</b>	470,797	885,598	1,027,366

#### **4. STATEMENT OF AFFAIRS**

The directors' estimated Statement of Affairs as at 19 July 2013 is shown at Appendix B.

##### 4.1 Statement of Concurrence

A statement of concurrence has been sought from and has been provided by Mr I Forbes.

##### 4.2 Order Limiting Disclosure

A court order limiting the disclosure of the Statement of Affairs has not been sought.

#### **5. CONDUCT OF THE ADMINISTRATION**

##### 5.1 Purpose of the Administration

Paragraph 3 to Schedule B1 to the Act sets out the purposes of an administration. The Joint Administrators' must perform their 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

In this case the Joint Administrators considered the rescue of the company as a going concern, however, considering the lack of on-going contracts the decision was made to make the employee redundant effectively ending any potential rescue as a going concern. As part of the Administration process the Joint Administrators were able to carry out limited snagging and completion of works to facilitate the book debt recovery, this would have been much more difficult to do should the Company have been in liquidation. This ability to carry out the extra work has been borne out as debtors have almost been paid in full. The Joint Administrators therefore consider that the purpose of the administration is to achieve 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).

##### 5.2 Strategy

On appointment the Administrators met with the directors to discuss the strategy going forward. A review of the financial information was undertaken together with an appraisal of any current or potential contracts.

It became apparent that there were insufficient contracts to allow trading to continue and a decision was made that employees should be made redundant. The directors agreed to provide assistance to the Joint Administrators with the collection Book Debts and dealing with any finishing touches that may need to be done on existing contracts.

##### 5.3 Realisation of Assets

Following their appointment the Joint Administrators instructed independent valuers to take an inventory of all assets at the Company premises and provide valuations thereon. The agents identified 2 cars, 4 vans, office furniture & equipment and plant & machinery.

##### Motor Vehicles

The cars and vans were sold to the directors of the Company and details of these transactions can be seen below at 5.5 Connected Party Transactions.

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### **Office Furniture & Equipment and Plant & Machinery**

The Joint Administrators were informed by the directors that the office furniture & equipment and the plant and machinery were not assets of the Company. They were also informed that these assets had previously belonged to the Company but had been transferred into the ownership of the Landlord company (H & J. Forbes (Middlesbrough) Ltd). Investigations were subsequently carried out and it was found that the assets were transferred in the accounts to the year ended 30 September 2010 for their book value which was nil.

Consideration was given to whether there may be possible action to take in relation to the transfer that may have produced recoveries for the benefit of the creditors. As part of this investigation the Joint Administrators has various meetings with their legal advisors, the Company's accountants, the agent and the Landlord. It was found that the assets would have had some value at the time of the transfer, however there would be considerable costs involved in taking action to recover the assets and further costs involved in uplifting the assets and returning the premises to their original state after removal.

An agreement was settled upon with the Landlord that the Joint Administrators would not pursue the recovery of these assets and in return the landlord would retake control and responsibility for the premises thus releasing the Joint Administrators from any further liability in relation to the premises.

### **Book Debts**

Book debts on appointment totalled £97,717.33. Following a review of the debtors it was found that £426.39 was owed by a Company in liquidation and that a further £2,359.60 was in dispute, the balance of £94,931.34 was considered to be collectable. The disputed debt related considerable electrical and decorating work that needed to be done in order to collect the remaining funds. Following a quote of £2,980.00 plus VAT to undertake the remedial work it was decided that this was uneconomic and therefore no further efforts or costs would be incurred in attempting to recover the debt.

With the assistance of Mr Ian Forbes the Joint Liquidators have to date realised £67,704.14. A payment of £2,100.00 was made to ABA Architecture in order to secure payment of £29,295.60 from Weir Inns Ltd. The Joint Administrators will continue to pursue the remaining balance of £27,227.20.

### **Goodwill**

The business had a very good reputation and we looked to see if any opportunity existed to market the business for sale which may have increased realisations as a payment for goodwill may have been made. However, as a result of the decline in trade and the current difficulties in the marketplace the number of potential buyers was limited.

Furthermore, the TUPE regulations and the long serving workforce were also off putting to any potential purchaser.

As the assets other than the vehicles were not owned by the company and the premises were rented there was also no appetite from any potential purchaser to pay anything for goodwill as there was no real possibility to continue to trade from the premises without the consent of the landlord which we understood to be unlikely at an economic rent given the current business levels.

We were therefore unable to secure any sale or obtain any payment for goodwill.

### **5.4 Rationale for Pre-Pack Sale and SIP 16 disclosures**

In this case there was no pre-packaged sale, as such no SIP 16 disclosure is required.



#### 5.5 Connected Party Transactions

The following transaction with connected parties took place.

On the 31 July 2013 the Joint Administrators sold the following vehicle to Mr Steven Forbes a director of H & J. Forbes Ltd, the vehicle was previously Mr Forbes company car.

- MERCEDES-BENZ E250 BLUEF-CY SPORT CDI A (NY59 VVV)

The sale was for £9,000 00 with no deferred consideration Payment was made at the time of the sale.

On the 07 August 2013 the Joint Administrators sold the following vehicles to Haydock Assets Finance Ltd Haydock Assets Finance Ltd subsequently provided I Forbes Joinery Ltd with the finance to purchase the vehicles. Mr Ian Forbes a director of H & J. Forbes Ltd is sole director of I Forbes Joinery Ltd

- IVECO DAILY 35C18 LWB (NX08 EYZ)
- FORD TRANSIT 110 T280S FWD (DE08 OAS)

The sale was for £6,000 00 plus VAT with no deferred consideration Payment was made at the time of the sale

Also on the 07 August 2013 the Joint Administrators sold the following vehicles to Mr Ian Forbes

- MERCEDES-BENZ E250 BLUEF-CY SPORT CDI A (BL10 GZN)
- FORD TRANSIT 260 SWB (NY55 JFA)
- FORD TRANSIT 260 SWB TD (NY04 PWU)

The sale was for £10,600 plus VAT with no deferred consideration Payment was made at the time of the sale.

The Joint Administrators instructed independent agents to value all of the above vehicles.

#### 5.6 Trading

Following a review of the Company's financial information and on-going and potential contract it was decided that the employees would be made redundant and that no trading would take place

#### 5.7 Case specific Matters

The Joint Administrators have undertaken their statutory duty in filing copies of the appointment documents, at Companies House and advertising the appointment in the London Gazette, the advert was appeared on 2 August 2013. Notification of the Appointment was also sent to the Directors, Members and Creditors of the Company A record of the Administrators receipts and payments has been kept.

## **6. CREDITORS' CLAIMS AND DIVIDEND PROSPECTS**

The value at which creditors' claims are stated in the Statement of Affairs are, as is required by legislation, those which are reflected in books and records of the company provided by the Directors of the company and it is our view that some balances may not be wholly correct. In addition, certain claims may be subject to reduction in respect of mitigation, set-off or retention of title.

The agreement of creditors' claims by the Joint Administrators (or any subsequently appointed Supervisor or Liquidator) is a separate matter and will be dealt with as appropriate in due course, initially by reference to the proofs of debt lodged in the proceedings by creditors themselves.

### 6.1 Secured Creditors

There are no secured creditors.

### 6.2 Preferential Creditors

Employee's claims for unpaid wages and holiday have resulted in preferential claims of £62,851.16.

The Joint Administrators have had discussion with the Redundancy Payments Office regarding the holiday pay owed to the employees and the way in which it was accrued. In respect of this matter the Joint Administrators are currently taking legal advice to seek clarification of these claims.

### 6.3 Unsecured Creditors

Following appointment all known creditors were circulated. To date claims totalling £283,693.85 have been lodged in these proceedings. The Company records indicate that a number of further claims have yet to be lodged.

At this time the Joint Administrators are unable to state if a distribution to this class of creditor. On this basis no steps have been taken to agree unsecured creditors' claims to date.

### 6.4 The Prescribed Part

The "Prescribed Part" is a statutory amount of the company's assets subject to a floating charge to be set aside for the benefit of the Company's non-preferential creditors.

There are no creditors secured by charges over the assets and undertakings of the Company. There is therefore no requirement to estimate the amount of the prescribed part of the assets under Section 176A of the Insolvency Act 1986, as amended.

## **7. JOINT ADMINISTRATORS RECEIPTS AND PAYMENTS**

We attach as Appendix C a summary of our receipts and payments.

### 7.1 VAT Basis

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue & Customs shown separately.

## **8. THE MEETING OF CREDITORS**

The Joint Administrators' have decided to convene a meeting of creditors, pursuant to paragraph 51 of Schedule B1 to the Act.

The following documentation is attached

Appendix D: formal notice convening the meeting is on Form 2 20B

Appendix E: a form of proxy form for use at the meeting

Appendix F: an extract from the Rules regarding creditors' entitlement to vote

Appendix G: a proof of debt to enable creditors who have not yet lodged their claim to do so (please note that you will not be able to vote at the meeting unless you have lodged your claim with the Joint Administrators)

The purpose of the meeting is for creditors to be able to consider the Joint Administrators' proposals and resolutions set out at section 8 below and to ask questions as regards the conduct of the administration. At the meeting, creditors are also entitled to establish a Creditors' Committee should they so wish, provided that there are no fewer than three and no more than five wishing to be represented on the committee

## **9. JOINT ADMINISTRATORS' PROPOSALS**

The Joint Administrators' proposals in relation to the company are

- 9 2 In light of the sale of the company and/or its business being unachievable the Joint Administrators should consider and pursue the most appropriate alternative method of realising the assets for the benefit of the creditors.
- 9 3 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
- 9 4 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
- 9 5 The company exits the administration either by way of dissolution or Creditors Voluntary Liquidation.
- 9.6 That Andrew Little and Peter W Gray of Rowlands, 8 High Street, Yarm, Stockton on Tees, TS15 9AE be appointed Joint Liquidators of the company following the cessation of the administration and the Joint Liquidators will have the power to act jointly and severally.
- 9 7 To consider and if thought fit, appointing a Creditors' Committee to assist the Administrators and subsequent Joint Liquidators
- 9 8 In the event that a Creditors' Committee is not established, the Administrators be discharged from liability in respect of any action of theirs as Administrators immediately following their cessation to act as Administrators.
- 9 9 In the event that a Creditors' Committee is not established, the Administrators shall be authorised to draw their remuneration based upon their time costs by reference to the time properly given by the Administrators and their staff, in attending to matters arising in the administration at Rowlands standard hourly rates, at the rates prevailing at the time the work is done and such remuneration to be paid out of the assets of the company and which may be drawn on account as and when funds permit without further recourse to creditors.

- 9.10 In the event that a Creditors' Committee is not established, the Administrators shall 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 prevailing at the time the cost is incurred

Creditors are also asked to consider the following resolutions in relation to the outstanding pre-administration costs detailed at paragraph 9.11 below and at Appendix K

- 9.11 In the event that a Creditors' Committee is not established, the Administrators shall be authorised to draw their outstanding pre-appointment remuneration and disbursements as set out in Appendix K, in the sum of £6,690 40 to be paid out of the assets of the company as and when funds permit, such disbursements to include "Category 2 disbursements" at the rates prevailing at the time the cost was incurred

## **10 PROPOSED EXIT FROM ADMINISTRATION**

It is proposed that the company shall exit administration by way of dissolution or Creditors Voluntary Liquidation

It is proposed that Andrew Little and Peter W Gray of Rowlands, 8 High Street, Yarm, Stockton on Tees, TS15 9AE be appointed Joint Liquidators of the company following the cessation of the administration. Creditors should note that they may nominate a different person as the proposed Liquidator, provided that the nomination is made after the receipt of the proposals and before the proposals are approved

## **11 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS**

### 11.1 Pre-administration costs

Pre-administration costs were discussed with the directors at the outset and an estimate provided in the letter of Engagement dated 12 July 2013 and the letter of advice dated 10 July 2013. It was agreed that should these fees not be paid prior to appointment, that approval would be sought from the creditors to take these fees

The pre-administration costs relate to numerous meetings and discussions with the directors in relation to the company's financial situation. This also included assisting the directors with the filing of the notice of intention to appoint an Administrator and giving the appropriate notice thereof. The work was undertaken to allow the company to be placed into administration and to provide a moratorium to prevent a less advantageous insolvency process being sought by the creditors.

Details of the fees charged and expenses incurred by the Administrators prior to appointment are set out in Appendix K, together with details of the amounts paid to discharge these costs, if any, and the balance that remains unpaid.

To the best of my knowledge no fees were charged, or expenses incurred, by any other Insolvency Practitioner prior to my appointment

I would advise you that payment of unpaid pre-administration costs as an expense of the administration is:

- (i) Subject to approval under Rule 2.67A of the Rules, and

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(ii) Not part of the proposals subject to approval under paragraph 53 of Schedule B1 to the Act

I can confirm that I have unpaid pre-administration costs of £6,690 40

Creditors are asked to consider resolutions as set out at paragraph 9.11 to approve the payment of the Administrators' outstanding pre-appointment remuneration as detailed at Appendix K from the administration estate. Please note that, if a Creditors' Committee is appointed, it is for the Committee to consider these resolutions.

**11.2 Joint Administrators' Post appointment Remuneration and Disbursements**

Creditors are asked to consider resolutions as regards the payment of the Administrators' remuneration and drawing certain disbursements from the administration estate. It is for the creditors or, if a creditors' committee is appointed, the creditors' committee, to determine on what basis the administrator is to be remunerated; time cost, percentage, set fee or any combination of these and, where appropriate, the percentages or amounts of any set fee.

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 approval prior to being drawn from the insolvency estate. These expenses are known as "Category 2" disbursements and are also subject to approval by the creditors, or a creditors' committee if one is appointed.

In the event that a creditors' committee is not appointed, approval is sought for category 2 disbursements and remuneration to be charged and drawn based on the terms set out in the resolution(s) at paragraphs 9.9 and 9.10 of the Administrators' proposals.

For your information the following documentation is attached

- Appendix H Statement on Remuneration and Expenses in Insolvency Proceedings
- Appendix I "Category 2" disbursement table
- Appendix J Joint Administrators' time and charge out summary

A Creditors Guide to Administrators' Fees, a guide in relation to the remuneration of Administrators, can be accessed at the website of the Association of Business Recovery Professionals at [www.r3.org.uk](http://www.r3.org.uk) (SIP 9 Statement of Insolvency Practice 9 – Remuneration of Insolvency Office Holders England & Wales).

Alternatively, we can provide you with a copy on written request to our office.

**11.3 Professional Fees**

On this assignment the Joint Administrators have had reason to use professional advisors. The Choice of these professionals was based on the perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them. Having reviewed the fees charged and or, to be charged, the Joint Administrators are satisfied that they are reasonable in the circumstances of this case. Should additional professional advice be sought the Joint Administrators will make their decision on which advisors to use in the same manner.

Professional advisors used to date

<u>Name</u>	<u>Nature of Work</u>	<u>Basis of Fee Arrangement</u>
Ward Hadaway Solicitors	Legal Work and Advice	Time Cost Basis
Lithgow Sons & Partners	Independent Valuation	Time Cost Basis

**12. EC REGULATIONS**

It is considered that the EC Regulations will apply and that these proceedings will be main proceedings as defined in Article 3 of the EC Regulations as the centre of main interest of the company is in England and Wales



**ANDREW LITTLE  
ROWLANDS  
JOINT ADMINISTRATOR**

Encls

Andrew Little and Peter W Gray are licensed to act as Insolvency Practitioners in the UK by the Insolvency Practitioners Association

The Joint Administrators manage the affairs, business and property of the company as agents and act without personal liability

## APPENDIX A

### STATUTORY INFORMATION

COMPANY NAME:	H & J. Forbes Limited
PREVIOUS COMPANY NAMES:	N/A
COMPANY NUMBER:	01985539
DATE OF INCORPORATION	04/02/1986
TRADING NAME	H & J Forbes
TRADING ADDRESS	147 Stockton Street Middlesbrough TS2 1BU
PRINCIPAL ACTIVITY	Manufacture of other office and shop furniture
REGISTERED OFFICE	Rowlands 8 High Street Yarm Stockton on Tees, TS15 9AE
PREVIOUS REGISTERED OFFICE	147 Stockton Street Middlesbrough TS2 1BU
SHARE CAPITAL NOMINAL & ISSUED SHARE CAPITAL	Authorised share capital 1,200 00 Ordinary shares Issued 1200 Ordinary Shares at a par value of £1.00
SHAREHOLDERS	Mr I Forbes - 350 A Shares Mr S Forbes - 350 A Shares Mr I Forbes - 250 B Shares Mr S Forbes - 250 B Shares
DIRECTORS:	Ian Forbes Stephen Forbes
SECRETARY	Susan Jean Wray

**APPENDIX B****A - SUMMARY OF ASSETS**

	<b>Book Value</b>	<b>Estimated to Realise</b>
	<b>£</b>	<b>£</b>
Assets Subject to Specific Charge		
Leased Assets	14,312	9,600
Less Amounts Owing	(1,994)	(1,994)
	<u>12,318</u>	<u>7,606</u>
Assets Subject to Fixed Charge		
Assets Subject to Floating Charge		
Assets not Subject to Charge		
Cash at Bank at appointment	32,977	32,977
Debtors (Pre-Appointment)	94,931	90,874
Motor Vehicles	7,613	16,000
Surplus in Leased Assets	12,318	7,606
	<u>147,840</u>	<u>147,457</u>
Available to preferential creditors	<u>147,840</u>	<u>147,457</u>



## A1 – SUMMARY OF LIABILITIES

	Estimated to Realise	
	£	£
Estimated total assets available for preferential creditors		147,457
Liabilities		
Wages	(11,180)	
Holiday Pay	(51,671)	
		<u>(62,851)</u>
Estimated Surplus (Deficiency) as regards preferential creditors		84,606
Estimated total assets available for floating charge holders		<u>84,606</u>
Floating Charge Claims		<u>0</u>
Total assets available to unsecured creditors		84,606
Unsecured non-preferential claims		
Employees	(235,545)	
HM Revenue and Customs	(40,806)	
Trade and Expense Creditors	(15,349)	
		<u>(291,700)</u>
Estimated Surplus (Deficiency) Unsecured creditors		(207,094)
Share Capital		
Ordinary A	(700)	
Ordinary B	(500)	
		<u>(1,200)</u>
Estimated Surplus (Deficiency) as regards members		<u><u>(208,294)</u></u>

# **B COMPANY CREDITORS - H. & J. FORBES LIMITED**

NOTE: You must include all creditors and identify any creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held	Date security given	Value of security £
Arnold Laver & Co Ltd	Bramall Lane Sheffield S2 4RJ	1,097.24			0 00
Bennett, Kenneth (Mr)	45 Baldon Sands, Acklam Middlesbrough TS5 8TN	19,411 70			0 00
BT	Correspondence Centre Durham DH98 1BT	150 00			0 00
Carbide (UK) Ltd	8 Park Street, Anlaby Road Hull HU3 2JF	16 50			0 00
Chipchase Manners	384 Linthorpe Road, Middlesbrough TS5 6HA	1,200 00			0 00
Chrystal, James Ian (Mr)	14 High Street West Redcar TS10 1SG	18,274 62			0 00
CITB Construction Skills	Levy & Grant Department, Bircham Newton, King Lynn Norfolk PE31 6RH	1,575 00			0 00
Cleveland Copiers Ltd	Webb Road, Skippers Lane Ind Est, Middlesbrough Cleveland TS6 6HD	15.64			0 00
CNG (Gas)	Contract Natural Gas Ltd, CNG House, 5 Victoria Avenue Harrogate HG1 1EQ	300.01			0 00
Dulux Decorator Centres	Cargo Fleet Lane Middlesbrough TS3 8DA	263.20			0 00
Elliott, Thomas (Mr)	53 Grisedale Crescent, Eaglecliffe Stockton on Tees TS16 9DS	18,278.68			0 00
Forbes, David Andrew (Mr)	7 Ennerdale Avenue, Acklam Middlesbrough TS5 7BB	19,434 76			0 00
Forbes, Ian (Mr)	Hillsland Shephard Hill, Swainby Northallerton DL6 3DN	33,560 27			0 00
Forbes, Stephen (Mr)	Pippindelle Whorlton, Swainby Northallerton DL6 3HT	34,685 27			0 00
Gallagher, George (Mr)	12 Meadowgate, Eston Middlesbrough TS6 9JB	19,117.96			0 00
Harlequin harris	Ladybird House, , Beeches Road, , Loughborough, Leicestershire LE11 2HA	261 60			0 00
HM Revenue & Customs	Enforcement & Insolvency, Durrington Bridge House, Barrington Road Worthing BN12 4SE	20,500 40			0 00
HMRC - VAT National Insolvency Unit	5th Floor Regain House, James Street Liverpool L75 4AD	20,306.00			0 00
ING Lease (UK) Ltd	60 High Street, Redhill Surrey RH1 1NY	1,994 09	Hire Purchase	10/08/2010	9,600 00
J & B Recycling Ltd	Thomlinson Road Hartlepool TS25 1NS	925 20			0 00
J P McDougall and Co Ltd	Manchester Road, Wet Tiperley, Altringham Cheshire WA14 5PG	247 88			0.00
Jasper, Kenneth (Mr)	18 Carmel Gardens, Brookfield Middlesbrough TS5 8DX	19,327.78			0 00
Jewson	PO Box 7357 Glasgow G51 9AB	128.84			0 00

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held	Date security given	Value of security £
Joseph Parr Ltd	Blue House Point Road, Portrack Trading Estate Stockton on Tees TS18 2PJ	317 15			0 00
Killby & Gayford Ltd	30 Radford Way Billencay CM02 0DA	440.00			0.00
Lawcris Panel Products	Unit C Cross Green Close, Cross Green Industrial Estate Leeds LS9 0RY	93 60			0 00
Manor Coating Systems Ltd	Otley Road Shipley BD17 7DP	92 91			0 00
Meyer Timber Ltd	PO Box 754, Western Docks, Southampton Hants SO15 1WY	188 64			0 00
Middlemiss, John (Mr)	Flat 7 Roberts Wood, 49 Park Road South Middlesbrough TS5 6LE	14,617 58			0 00
Middlesbrough Council	PO Box 2, Middlesbrough House, 50 Corporation Road Middlesbrough TS1 2YL	0 01			0.00
Northern Counties Safety	Unit 4 & 5, Evans Business Centre, Belmont Industrial Estate Durham DH1 1ST	1,212.45			0 00
Northumbrian Water	Customer Centre, PO Box 300 Durham DH1 9WG	450.00			0 00
NPower	PO Box 203 Leeds LS14 1WY	3,500 00			0 00
OZ Limited	260 Bath Road, Slough Berkshire SL1 4DX	419.99			0 00
Parr, Norman (Mr)	22 Longford Middlesbrough	19,758 88			0.00
Peninsula Business Services Limited	The Peninsula, 2 Cheetham Hill Road Manchester M4 4FB	1,013 20			0 00
Redundancy Payments Office	PO Box 16685 Birmingham B2 2LZ	0 00			0 00
Rentokil Initial Pest Control	PO Box 4973, Dudley West Midlands DY1 9EY	472.91			0.00
Rydenor Woodfinishes	Unit 3, Thirsk Industrial Park, York Road Thirsk YO7 3BX	294 77			0 00
Sage (UK) Limited	North Park Newcastle Upon Tyne NE13 9AA	514 88			0.00
Smith, John (Mr)	47 Angrove Close, Great Ayrton Middlesbrough TS9 6LE	19,075.99			0 00
Speedy Asset Services Ltd	Chase House, 16 The Parks Newton le Willows WA12 0JQ	27.00			0 00
Stanford Marsh Ltd	Haycroft Works, Buckholt Drive, Warton Business Park Worcester WR4 9ND	75.60			0 00
The Sign Studio	Unit 7 Tees Court, Wallis Road, Skippers Lane Industrial Estate Middlesbrough TS6 6DX	48 00			0 00
Wainwright, Frances (Mrs)	4 Bolton Grove, Seaton Carew Hartlepool TS25 1BD	18,151 02			0 00
Wainwright, Peter Robert (Mr)	4 Bolton Grove, Seaton Carew Hartlepool TS25 1BD	19,579 28			0 00
Wolseley UK Limited	c/o The P & A Partnership, 93 Queen Street Sheffield S1 1WF	6 62			0 00
Wray, Susan Jean (Miss)	5 Stonehouse Close, Yarm Stockton on Tees TS15 9UR	25,122 48			0 00

## APPENDIX C

### Receipts and Payments Account for 19 July 2013 to 10 September 2013

SOA Value £		£	£
	<b>FINANCE AND HIRE PURCHASE AGREEMENTS</b>		
9,600 00	Leased Assets	9,600 00	
(1,994 09)	Leased Assets (Amounts Owning)	(1,994 09)	
7,606 00	Leased Assets Control	0 00	
			7,605 91
	<b>ASSET REALISATIONS</b>		
32,977 44	Cash at Bank at appointment	28,259 84	
90,873 94	Debtors (Pre-Appointment)	67,704 14	
16,000 00	Motor Vehicles	16,000 00	
0 00	Petty Cash	8 95	
			111,972 93
	<b>COST OF REALISATIONS</b>		
0 00	Agents / Valuers Fees	(855 00)	
0 00	Architect costs re debtors	(1,750 00)	
0 00	Casual Wages	(550 00)	
0 00	Insurance	(360 40)	
0 00	Legal Fees	(5,479 75)	
0 00	Site clearance costs	(150 00)	
0 00	Specific Bond	(160 00)	
0 00	Statutory Advertising	(70 00)	
			(9,375 15)
	<b>PREFERENTIAL CREDITORS</b>		
(51,671 16)	Holiday Pay	0 00	
(11,180 00)	Wages	0 00	
			0 00
	<b>UNSECURED CREDITORS</b>		
(235,545 11)	Employees	0 00	
(40,806 40)	HM Revenue and Customs	0 00	
(15,348 84)	Trade and Expense Creditors	0 00	
			0 00
	<b>EQUITY</b>		
(700 00)	Ordinary A	0 00	
(500 00)	Ordinary B	0 00	
			0 00
(200,688 22)			110,203 69
	<b>REPRESENTED BY</b>		
	Estate Current Account	109,919 74	
	VAT Receivable (Payable)	283 95	
			110,203 69
			110,203 69

**APPENDIX D****Rule 2.35****Form 2.20B****Notice of a meeting of creditors**

Name of Company H & J Forbes Limited In Administration	Company number 01985539
In the Newcastle upon Tyne District Registry	Court case number 0744 of 2013

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

Notice is hereby given by (a) Andrew Little and Peter W Gray of Rowlands,  
8 High Street, Yarm, Stockton on Tees, TS15 9AE

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

that a meeting of the creditors of (b) H & J Forbes Limited of 8 High  
Street, Yarm, Stockton on Tees, TS15 9AE

(c) Insert details of  
place of meeting

is to be held at Rowlands, 8 High Street, Yarm, Stockton on Tees, TS15  
9AE

(d) Insert date and  
time of meeting

on 26 September 2013 at 11 00 AM

\*Delete as applicable

The meeting is an initial creditors' meeting under paragraph 51 of  
Schedule B1 to the Insolvency Act 1986 ("the Schedule"),

I invite you to attend the above meeting

A proxy form is enclosed detailing the resolutions that will be considered  
at the meeting, which should be completed and returned to me by the  
date of the meeting if you cannot attend and wish to be represented

In order to be entitled to vote under Rule 2 38 at the meeting you must  
give to me, not later than 12.00 hours on the business day before the day  
fixed for the meeting, details in writing of your claim

Signed

Andrew Little

Joint Administrator

Dated

\* Delete as  
applicable

A copy of the proposals is attached

**APPENDIX E****Rule 8.1****Insolvency Act 1986****Form 8.2****Proxy**

H &amp; J. Forbes Limited In Administration

Name of Creditor \_\_\_\_\_

Address \_\_\_\_\_

Please insert name of person (who must be 18 or over) or the Chairman of the Meeting. If you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well

Name of Proxy Holder

1 \_\_\_\_\_

2 \_\_\_\_\_

3 \_\_\_\_\_

Please delete words in brackets if the proxy holder is only to vote as directed i.e. he has no discretion

I appoint the above person to be my/the creditor's proxy holder at the meeting of creditors to be held on 26 September 2013, or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion).

**Voting Instructions for resolutions:**

- |   |  |                   |
|---|--|-------------------|
| 1 | The Administrator's proposals as set out at paragraphs 9.1 to 9.7 of the report dated 10 September 2013 are approved   | For /<br>Against* |
| 2 | In the event that a Creditors' Committee is not established, the Administrators be discharged from liability in respect of any action of theirs as Administrators immediately following their cessation to act as Administrators   | For /<br>Against* |
| 3 | In the event that a Creditors' Committee is not established, the Administrators shall be authorised to draw their remuneration based upon their time costs by reference to the time properly given by the Administrators and their staff, in attending to matters arising in the administration at Rowlands standard hourly rates, at the rates prevailing at the time the work is done and such remuneration to be paid out of the assets of the company and which may be drawn on account as and when funds permit without further recourse to creditors | For /<br>Against* |
| 4 | In the event that a Creditors' Committee is not established, the Administrators shall 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 prevailing at the time the cost is incurred  | For /<br>Against* |

\*Please delete as appropriate

5 In the event that a Creditors' Committee is not established, the Administrators shall be authorised to draw their outstanding pre-appointment remuneration and disbursements as set out in Appendix K, in the sum of £6,690 40 to be paid out of the assets of the company as and when funds permit, such disbursements to include "Category 2 disbursements" at the rates prevailing at the time the cost was incurred

For /  
Against\*

6 To appoint a creditors' committee to assist the Joint Administrators and subsequent Joint Liquidators (**Note: If you vote in favour of this resolution please ensure you nominate a representative below**)

For /  
Against\*

7 For the appointment of \_\_\_\_\_  
of \_\_\_\_\_  
representing \_\_\_\_\_  
as a member of the creditors' committee

This form must be  
signed

Signature \_\_\_\_\_ Date \_\_\_\_\_

Name in CAPITAL LETTERS  
\_\_\_\_\_

Only to be  
completed if the  
creditor has not  
signed in  
person

Position with creditor or relationship to creditor or other  
authority for signature  
\_\_\_\_\_

Remember there may be resolutions on the other side of this form

**INSOLVENCY RULES 1986, AS AMENDED**

**Entitlement to vote (Rule 2.38)**

- 1) Subject as follows, at a meeting of creditors in administration proceedings a person is entitled to vote only if –
  - a) he has given to the Administrator, not later than 12.00 hours on the business day before the day fixed for the meeting, details in writing of the debt which –
    - i) he claims to be due to him from the company; or
    - ii) in relation to a Member State Liquidator, is claimed to be due to creditors in proceedings in relation to which he holds office;
  - b) the claim has been duly admitted under Rule 2.39 or this Rule; and
  - c) there has been lodged with the Administrator any proxy which he intends to be used on his behalf,  
and details of the debt must include any calculation for the purposes of Rules 2.40 to 2.42
- 2) The chairman of the meeting may allow a creditor to vote, notwithstanding that he has failed to comply with paragraph (1)(a), if satisfied that the failure was due to circumstances beyond the creditor's control
- 3) The chairman of the meeting may call for any document or other evidence to be produced to him, where he thinks it necessary for the purpose of substantiating the whole or any part of the claim.
- 4) Votes are calculated according to the amount of a creditor's claim as at the date on which the company entered administration, less any payments that have been made to him after that date in respect of his claim and any adjustment by way of set-off in accordance with Rule 2.85 as if that Rule were applied on the date that the votes are counted
- 5) A creditor shall not vote in respect of a debt for an unliquidated amount, or any debt whose value is not ascertained, except where the chairman agrees to put upon the debt an estimated minimum value for the purpose of entitlement to vote and admits the claim for that purpose
- 6) No vote shall be cast by virtue of a claim more than once on any resolution put to the meeting.
- 7) Where –
  - a) a creditor is entitled to vote under this Rule and Rule 2.39,
  - b) has lodged his claim in one or more sets of other proceedings, and
  - c) votes (either in person or by proxy) on a resolution put to the meeting, and
  - d) the Member State Liquidator casts a vote in respect of the same claim,only the creditor's vote shall be counted
- 8) Where –
  - a) a creditor has lodged his claim in more than one set of other proceedings, and
  - b) more than one Member State Liquidator seeks to vote by virtue of that claim,the entitlement to vote by virtue of that claim is exercisable by the Member State Liquidator in main proceedings, whether or not the creditor has lodged his claim in the main proceedings
- 9) For the purposes of paragraph (6), the claim of a creditor and of any Member State Liquidator in relation to the same debt are a single claim.
- 10) For the purposes of paragraphs (7) and (8), "other proceedings" means main proceedings, secondary proceedings or territorial proceedings in another Member State



## Proof of Debt – General Form

GREEN DESIGN ARCHITECTS LTD In Liquidation	
Date of Winding-Up Order/Resolution for voluntary winding-up 11 October 2013.	
1	Name of creditor (If a company please also give company registration number).
2	Address of creditor for correspondence
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation.
4	Details of any documents by reference to which the debt can be substantiated. (Note. There is no need to attach them now but the liquidator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting)
5	If amount in 3 above includes outstanding uncapitalised interest please state amount. <span style="float: right;">£</span>
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)
7	Particulars of any security held, the value of the security, and the date it was given
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.
9	Signature of creditor or person authorised to act on his behalf  _____
	Name in BLOCK LETTERS  _____
	Position with or in relation to creditor  _____ Address of person signing (if different from 2 above)  _____
Admitted to vote for	Admitted for dividend for
£	£
Date	Date
Liquidator	Liquidator

## APPENDIX H

### ROWLANDS - STATEMENT ON REMUNERATION AND EXPENSES IN INSOLVENCY PROCEEDINGS

#### INTRODUCTION

The insolvency legislation was changed in April 2010 for insolvency appointments commenced from that time in order to allow more flexibility on how an office holder's fees are charged to a case. This sheet explains how we may apply the alternative fee bases. The new legislation allows different fee bases to be used for different tasks within the same appointment. The basis or combination of bases set for a particular appointment are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the court.

Further detail about how an office holder's fees are approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9). A copy of these guides can be accessed and downloaded from [www.rowlandsaccountants.co.uk](http://www.rowlandsaccountants.co.uk). Alternatively a hard copy may be requested from Rowlands, 8 High Street, Yarm, Cleveland, TS15 9AE or [insolvency@rowlandsaccountants.co.uk](mailto:insolvency@rowlandsaccountants.co.uk)

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn and time costs incurred and will also enable the recipients to see the average rates of such costs. Under the new legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under the old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

#### POLICY

In order to maximise the cost effectiveness of the work performed it is Rowlands normal policy to delegate certain tasks within the case to members of their staff subject to their experience and specialist skills with the provision of supervision as appropriate. Matters deemed to be complex or of significance will be dealt with by senior members of staff or the license holder.

#### Time Cost Basis

This is the basis that we use in the majority of cases and we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken. All staff who work on this assignment, including case support (such as cashiers and secretarial staff etc.) charge time directly to the assignment and are included within any analysis of time. The costs of any central Rowlands administration or general Rowlands overhead costs are not charged directly to the assignment but are reflected in the general level of charge out rates.

The rates vary between individuals of each grade reflecting experience and qualification. Charge out rates may be revised periodically to cover and are adjusted to take account of inflation and the firm's overheads. In cases deemed to be particularly complex revised rates will be presented to creditors. The maximum current charge out rates per grade are currently

<u>Grade</u>	<u>Rate (£) per hour</u> <u>(effective from 1 November 2012)</u>
Partner	240
Associate / Director	180
Manager	130
Case Handler / Administrator	85
Case support staff	20

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Each unit of time is 6 minutes. The work is recorded under the following categories including Administration and Planning, Investigations, Realisation of assets, Debtors, Creditors, Employee matters, and Trading.

#### Percentage Basis

The new legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal. Different percentages can be used for different assets or types of assets. Where we would like to realise any asset or type of assets on a percentage basis we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

#### Fixed Fee Basis

The new legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. Where we would like to charge a set amount for a task or different set amounts for different tasks we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

#### All Bases

The officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

#### AGENT'S COSTS

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes

- Solicitors / Legal Advisors
- Auctioneers / Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

#### DISBURSEMENTS

As part of our disclosure requirements the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. 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 estate or Rowlands (or a partner / employee of the same), in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. These expenses may include, but are not limited to case advertising, money laundering fees, company search fees, specific penalty bond, identifiable telephone calls, postage at cost, external document storage, external room hire, external printing, invoiced travel, and properly reimbursed expenses incurred by Rowlands and its employees in connection with the case. Obtaining a specific penalty bond and advertising are disbursements that are required in each case as a result of statutory obligations imposed on the Insolvency Practitioner.

Category 2 expenses - are incurred by Rowlands and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance.

Examples of category 2 disbursements are photocopying, internal room hire, mileage at approved Inland Revenue scale rates, and internal storage. With the exception of photocopying, Rowlands do not typically recharge expenses and disbursements which include an element of shared or allocated costs of internal facilities such as stationery, room hire, communication facilities, printing, internal document storage etc.

Category 2 expenses that may be charged by Rowlands

Storage Costs	£5 00 per box per year (no adjustment for part years)
Non Specific Company Searches	£10 00
Attestation	£10 00
Photocopying	up to 5p per sheet

TYPICAL TASKS UNDERTAKEN

Matters typically dealt with in the respective time breakdown categories during an insolvency procedure may include, but are not limited to, the following. It should be noted that every insolvency case is different, and certain items may not be applicable to this case.

Administration & Planning

Cash strategy and planning, cashing, banking, bank reconciliations, obtaining specific bond and on-going bond maintenance, any general insurance, uplift and on-going maintenance of company books and records, filing, internal case progression reviews, case updates, and internal case meetings.

Correspondence

All general correspondence excluding specific correspondence relating to other categories.

Investigations

Collation and review of directors questionnaires, review of any matters raised by the creditors concerning the conduct of the directors, review of all recent bank transactions undertaken by the company, review of any transactions between the company and associated parties, review of the assets listed in the statement of affairs with the last available statutory accounts, collation of information and submission of a report on all directors in the 3 years prior to liquidation under the Company Directors Disqualification Act 1986.

Additional investigations may also be undertaken in specific items at the request of the creditors committee (if any), and antecedent transactions including preferences, transaction at undervalue, misfeasance, breach of fiduciary duties etc.

Debtors

Transfer of debtors ledger onto our software, reconciliation of debtors ledger and identification of any refunds, claims, collection of supporting evidence including invoices, proof of delivery, orders etc, corresponding with debtors to collect debts, review and assessment of any responses and/or counterclaims / disputes, general contact with debtors, instruction, liaison and correspondence with solicitors or debt collection agents, liaison with any invoice discounter or factor, and negotiation of any settlement.

Realisation of Assets

All other assets excluding debtors including property (freehold and leasehold), intangible assets (intellectual property, patents, goodwill, copyrights etc) and chattel assets (e.g. furniture & equipment, stock, cash at bank, plant & machinery, work in progress, vehicles, computer equipment etc). Our work includes the preservation of such assets (arranging insurance, security etc), site visits, complying with fire brigade and insurer requirements (e.g. draining of heating system), arranging collection, preparation of sales particulars, liaising with valuers and agents, assessing and negotiating potential offers, and instructing and liaising with solicitors and reviewing any sale contract.

### Reservation of Title

Dealing with all third party assets (including reservation of title, hire purchase, consignment stock, leased assets etc ) Our work includes identification of third party assets, reviewing any agreement associated with the assets, corresponding with the claimant, stock taking, arranging and managing uplift of the assets, surrender or disclaiming onerous leases / assets, submission of returns to Registrar of Companies and third parties following disclaimer, and, instructing and liaising with solicitors re challenged claims

### Statutory Matters

Undertaking and dealing with statutory matters required to comply with the various legislation concerning an insolvency including preparation and holding of creditors meeting, preparation of report/letters to creditors following appointment, submission of returns to Registrar of Companies and/or Court, preparation of adverts for insert in Gazette / newspaper, preparation of proposals, preparation of progress reports for creditors including receipts and payments, preparation of final reports including receipts and payments, together with the holding of final meetings, preparation of reports and updates for the Creditors Committee, together with any meetings required therein

### Creditors

Dealing with all classes of creditors

Secured confirming validity of security, reporting to secured creditor, on-going communication with secured creditor, review of any claim and distribution thereunder, and instructing and dealing with solicitors

Preferential identifying and notifying potential preferential creditors of ability to claim, review of calculation of preferential claim, on-going communication with preferential creditors, review and adjudication of preferential claims, and, calculation and payment of dividend (if applicable)

Unsecured identifying and notifying unsecured creditors of ability to claim, submission of pre appointment VAT returns, on-going communication with unsecured and potential unsecured creditors, dealing with potential pension creditor, recording of unsecured claims, review and adjudication of unsecured claims, and, calculation and payment of unsecured dividend (if applicable)

### Employees

Notifying of appointment, issuing redundancy notices, and making employees redundant, assistance in completion of relevant forms to make claim from National Insurance Fund, calculation of outstanding entitlement, collation of claim forms and submission to National Insurance Fund, and on-going employee correspondence

### Trading

Assessment of suitability to trade including preparation of profit and cash flow forecasts, company resources, risk analysis etc , assessing on-going terms of trade with customers and suppliers, on-going site presence to monitor and supervise trading, dealing with employees, customers and suppliers, internal reviews to assess on-going trading, dealing with duress creditors, dealing with health & safety and legislative issues, liaising with insurers, instructing and liaising with solicitors, preparation of trading reports, reporting to funders / secured creditors, and dealing with trading compliance such as VAT, PAYE etc

### Other Matters

Items which would not normally fall into any of the above categories including travel, taxation (including processing of any post appointment returns to HMRC in respect of VAT, Corporation Tax etc ), director correspondence (to the extent it is not within the other categories), general government returns, and miscellaneous items

**APPENDIX I****ROWLANDS****JOINT ADMINISTRATORS' CATEGORY 2 DISBURSEMENTS**

<b>Amounts paid or payable to the Office Holder's firm or to any party in which the office holder or his firm or any associate has an interest</b>			
<b>Recipient, Type and Purpose</b>	<b>Category</b>	<b>Paid</b>	<b>Unpaid</b>
		<b>£</b>	<b>£</b>
Company Search	2		10 00
<b>Total</b>			10 00

## APPENDIX J

### JOINT ADMINISTRATORS' TIME COST ANALYSIS

FOR THE PERIOD FROM 19 JULY 2013 TO 10 SEPTEMBER 2013

	Hours Spent					Time Costs £
	Partner	Manager	Admini- strator	Assistants & Support Staff	Total	
Administration and planning	7 50	37.10	1.20	2.00	47 80	6,500 60
Investigations	1 50	0.00	0.00	0.00	1 50	300.00
Realisation of Assets	10.10	22 00	0.90	0.70	33 70	5070.70
Trading	0 00	0.00	0.00	0.00	0.00	0.00
Creditors	3.40	32 80	0 00	3 50	39 70	5,014.00
Case specific Matters	0 00	0.00	0.00	0.00	0.00	0 00
<b>Total hours</b>	22.50	91 90	2 10	6 20	122 70	
<b>Total time costs</b>	4,556.00	11,947 00	142 80	239 50		16,885.30

**NOTE:** Please see the attached notes to the time analysis for an explanation of the type of work that is commonly undertaken in respect of each of the categories above.

## **NOTES TO APPENDIX J**

### **JOINT ADMINISTRATORS' TIME COST ANALYSIS**

#### **Administration and Planning**

This includes dealing with the commencement of the case administration, together with day-to-day case administration duties, maintenance of records and on-going statutory obligations. These include but are not limited to: handling receipts and payments; VAT and Income tax issues, pension queries and general correspondence. Other matters which are required to be dealt with as part of the appointment and which will fall under this heading include case planning and strategy, case reviews, bonding, maintenance and obtaining books and records, general meetings \ correspondence, statutory and other advertising, insurance, re-directed mail, and statutory reports.

#### **Investigations**

Where appropriate this will include such matters as investigation of pre-appointment transactions in accordance with the relevant Statement of Insolvency Practice (SIP 2), and the investigation of any potential antecedent transactions such as transactions at under value and preferences which may result in legal action resulting in a recoverable asset.

#### **Realisation of Assets**

This includes dealing with all aspects of the realisation of assets including identifying, securing and insuring assets, and (where applicable), property, business and asset sales, retention of title claims and debt collection. Other matters dealt with during the case administration which will relate to asset realisation may commonly include effecting disclaimers, dealing with landlords, liaising with agents, undertaking inventories, meetings with purchasers \ directors, arranging collection of leased assets, obtaining insurance, pursuing antecedent claims identified as part of the investigation work set out above. Details of the specific asset realisation work undertaken on this case are set out in the main body of the report. Asset realisation is considered to be a key aspect of the case administration.

#### **Trading**

Where the business of the company has been traded (by the liquidator(s)) following the appointment our staff will have had to set up accounts with suppliers in order to trade on an on-going basis. Payments to suppliers and general correspondence with these have been undertaken. Where trading has ceased, accounts will have been closed and final bills paid. Other matters will also have been dealt with in accordance with the usual trading obligations such as dealing with employees and payroll.

#### **Creditors**

Queries from and correspondence with creditors and employees have been necessary aspects of the case administration process. Reports to creditors are also an important part of on-going matters relating to this aspect of the case.

#### **Case Specific Matters**

Any case specific matters will generally be set out in the body of the report but will commonly include meetings, correspondence and telephone calls relating to specific issues in the case which do not fall into any the categories set out above and are specific to the case in question. This may include work done in relation to litigation, general advice or other major issues.



**APPENDIX K****ANALYSIS OF PRE-ADMINISTRATION COSTS**

<b>Pre-Administration Costs Charged / Incurred</b>			
<b>Name</b>	<b>£</b>		
	<b>Charged / Incurred</b>	<b>Unpaid</b>	<b>Approved</b>
<b>Administrators' Fees &amp; Disbursements</b>			
Remuneration	6,676 00	6,676.00	
Mileage	14.40	14 40	
<b>Total</b>	6,690 40	6,690.40	

# APPENDIX L

## JOINT ADMINISTRATORS' PRE-APPOINTMENT TIME COST ANALYSIS

	Hours Spent					Time Costs £
	Partner	Manager	Admini- strator	Assistants & Support Staff	Total	
Administration and planning	25 90	6 00	0 00	0 00	31.90	5,876 00
Investigations	0 00	0.00	0 00	0 00	0.00	0 00
Realisation of assets	0 00	0 00	0 00	0 00	0.00	0 00
Trading	0 00	0 00	0 00	0 00	0.00	0 00
Creditors	4 00	0 00	0 00	0 00	4.00	800 00
Case specific Matters	0.00	0.00	0.00	0.00	0 00	0 00
<b>Total hours</b>	29 90	6 00	0 00	0 00	35 90	0 00
<b>Total time costs</b>	5,896.00	780 00	0 00	0 00	0 00	6,676 00