

Administrator's progress report

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 of 2013

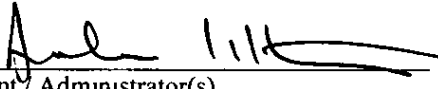
(a) Insert full name(s) and address(es) of administrator(s)

We (a) Andrew Little and Peter W Gray

8 High Street, Yarm, Stockton on Tees TS15 9AE

administrator(s) of the above company attach a progress report for the period

from	to
(b) Insert dates (b) 19 July 2013	(b) 18 January 2014

Signed 
Joint / Administrator(s)

Contact Details:

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

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



A22

A31OU43E

14/02/2014

#312

COMPANIES HOUSE

When you have completed and signed this form please send it to the Registrar of Companies at
Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff

FRIDAY

H. & J. FORBES LIMITED - IN ADMINISTRATION
IN THE NEWCASTLE UPON TYNE DISTRICT REGISTRY NO 0744 OF 2013

JOINT ADMINISTRATORS' PROGRESS REPORT
FOR THE PERIOD 19 JULY 2013 TO 18 JANUARY 2014

PETER W GRAY AND ANDREW LITTLE
JOINT ADMINISTRATORS

APPOINTED 19 JULY 2013

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

CONTENTS

SECTIONS

1	PURPOSE OF REPORT ..	1
1.1	Statutory Information	1
2.	PROGRESS OF THE ADMINISTRATION	1
2.1	Realisation of Assets \ Sale of Business...	1
2.2.	Connected Party Transactions.	2
2.3	Trading..... ..	3
2.4	Investigations. .	3
2.5	Administration and Planning	3
3.	ASSETS REMAINING TO BE REALISED	3
4.	EXTENSION OF THE ADMINISTRATION	3
5	CREDITORS' CLAIMS AND DIVIDEND PROSPECTS.	3
5.1	Secured Creditors	3
5.2	Preferential Creditors.....	3
5.3	Unsecured Creditors ...	4
5.4	Prescribed Part	4
5.5.	Dividend Prospects.....	4
6	RECEIPTS AND PAYMENTS SUMMARY ...	4
6.1	VAT Basis	4
7	COSTS AND JOINT ADMINISTRATORS' REMUNERATION	4
7.1	Joint Administrators' Pre-administration costs.	4
7.2	Joint Administrators' Remuneration and Disbursements	5
7.3	Remuneration and Disbursements Incurred in the period from 19 July 2013 to 18 January 2014.....	5
8	JOINT ADMINISTRATORS' STATEMENT OF EXPENSES	5
8.1	Detailed cost breakdown. .	5
8.2	Other professional costs	5
9	CREDITORS' RIGHT TO INFORMATION AND ABILITY TO CHALLENGE REMUNERATION AND EXPENSES	6

APPENDICES

A.	STATUTORY INFORMATION
B.	SUMMARY OF RECEIPTS AND PAYMENTS
C	STATEMENT ON REMUNERATION AND EXPENSES IN INSOLVENCY PROCEEDINGS
D	JOINT ADMINISTRATORS CATEGORY 2 DISBURSEMENTS TABLE
E	STATEMENT OF EXPENSES ANALYSIS
F.	TIME COST ANALYSIS
G	PRE-ADMINISTRATION COSTS
H.	JOINT ADMINISTRATORS' PRE-APPOINTMENT TIME COST ANALYSIS

1. PURPOSE OF REPORT

This report has been prepared in accordance with insolvency legislation to provide creditors with information relating to the progress of the administration in the period from 19 July 2013 to 18 January 2014.

This report has been prepared solely to comply with the statutory requirements of Rule 2.47 of the Insolvency Rules 1986, as amended ("the Rules"). 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 report.

1.1 Statutory information

Peter W Gray and Andrew Little of Rowlands, 8 High Street, Yarm, Stockton on Tees, TS15 9AE were appointed Joint Administrators of H. & J. Forbes Limited in Administration 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.

2. PROGRESS OF THE ADMINISTRATION

2.1 Realisation of Assets \ Sale of Business

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

H. & J. Forbes Limited - In Administration

Progress report

debt required 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 the Mr Ian Forbes the Joint Administrators have to date realised £73,546.54 A payment of £2,100.00 was made to ABA Architecture in order to secure payment of £29,295.60 from Weir Inns Ltd It was found following further correspondence with debtors that £10,831.30 that appeared in the Company records as outstanding had in fact been paid but this had not been updated. The Joint Administrators will continue to pursue the remaining balance of £10,553.50.

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

2.2. 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

H. & J. Forbes Limited - In Administration

Progress report

- 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.

2.3. Trading

As referred to in the Joint Administrators Proposals, upon appointment a review of the Company's financial information and on-going and potential contracts was undertaken and it was decided that the employees would be made redundant and that no trading would take place.

2.4 Investigations

In accordance with our statutory obligations, the Joint Administrators have filed the appropriate documentation with the Department for Business, Innovation and Skills in relation to the conduct of the directors.

The contents of the report are confidential.

2.5 Administration and Planning

Following their appointment the Joint Administrators sent notification to all creditors, as well as the court and Companies House, notification was also advertised in the London Gazette. Administration proposals were drafted and sent to creditors and a meeting of creditors called to agree said proposals. The Joint Administrators opened a separate bank account for the administration and financial records set up in accordance with Statement of Insolvency Practice 7 to record receipts and payments. The appropriate notification was sent to HM Revenue & Customs regarding VAT and deregistration requested, a final VAT return was then submitted. The Joint Administrators undertook frequent file reviews together with discussions with the case administrator to ensure that the progress of the administration was maintained. Company records have been collected and reviewed for any potential realisation in accordance with Statement of Insolvency Practice 2 before being placed into storage.

3. ASSETS REMAINING TO BE REALISED

The Joint Administrators are continuing to pursue a few remaining book debts. It is expected that these will be passed to solicitors to pursue should payment not be received soon.

4. EXTENSION OF THE ADMINISTRATION

There have been no extensions of the administration.

5. CREDITORS' CLAIMS AND DIVIDEND PROSPECTS

5.1 Secured Creditors

Barclays Bank plc have a fixed and floating charged dated 6 November 1987 registered at Companies House. The Company bank account was in credit when the Administrators were appointed and it is not expected that the bank will have any claim.

5.2 Preferential Creditors

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

The Joint Administrators are taking legal advice in relation to the holiday pay claims, due to a high number of days being claims as carried forward from the previous years holiday entitlement.

The Joint Administrators are unable to provide and estimate in relation to a distribution to preferential creditors until a decision has been reached regarding the carried forward holiday pay

5.3 Unsecured Creditors

Following my appointment I circulated all known creditors. To date claims totalling £284,987.45 have been lodged in these proceedings. The Company records indicate that a number of further claims have yet to be lodged

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.

5.4. Prescribed Part

The "Prescribed Part" is a statutory amount, calculated as a percentage of net floating charge realisations, which entitles unsecured creditors to a share of realisations. This is calculated on a sliding scale up to maximum of £600,000 before costs

There are no creditors secured by charges over the assets and undertakings of the Company created on or after 15 September 2003. There is therefore no requirement to estimate the amount of the Prescribed Part of the assets under Section 176A of the Act.

5.5 Dividend Prospects

Dividend prospects for unsecured creditors are uncertain at present and will depend on the outcome of the debtor collections and the level of holiday pay that becomes payable to preferential creditors. Should a distribution to unsecured creditors become probable the Joint Administrators will seek to move from Administration to Creditors Voluntary Liquidation. This will allow a distribution to be made without the costs involved in extending the administration and applying to court for an order to make a distribution to unsecured creditor via the Administration

6 RECEIPTS AND PAYMENTS SUMMARY

We attach as Appendix B a summary of our receipts and payments for the period from 19 July 2013 to 18 January 2014.

6.1 VAT Basis

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

7. COSTS AND JOINT ADMINISTRATORS' REMUNERATION

7.1 Joint Administrators' Pre-administration costs

The Joint Administrators' proposals dated 10 September 2013 detailed un-paid pre-administration costs totalling £6,690.40 as set out in Appendix H. The payment of these costs was approved by creditors on 26 September 2013 and Appendix G details the amounts approved.

7.2 Joint Administrators' Remuneration and Disbursements

The Joint Administrators' remuneration was approved on a time cost basis by creditors on 26 September 2013. We have incurred time costs of £24,898.30 plus VAT since the date of our appointment at an average hourly rate of £143 09. Of this, a total of £23,324.00 has been paid and £1,574 30 remains outstanding

Approval was also given to the drawing of disbursements, including category 2 disbursements. Details of the current rates are attached at Appendix C.

7.3 Remuneration and Disbursements Incurred in the period from 19 July 2013 to 18 January 2014

We have incurred time costs of £24,898 30 plus VAT in the current period. An analysis of time incurred in the period is attached at Appendix F

Category 2 disbursements incurred in the period are detailed in Appendix D.

A copy of "A Creditors' Guide to Administrator's Fees", issued by the Association of Business Recovery Professionals, which sets out the basis of fixing the Administrators' Remuneration, is available at.

<http://rowlandsaccountants.co.uk/downloads/restructuring-and-insolvency>

Please let me know if you would prefer a hard-copy of this guide

8 JOINT ADMINISTRATORS' STATEMENT OF EXPENSES

A statement of the expenses incurred during the period, is attached at Appendix E. This includes all expenses incurred by the Joint Administrators in the period of the report irrespective of whether they have been paid or not and may include estimated amounts where actual invoices have not been received. The receipts and payments abstract at Appendix B sets out the expenses actually paid in the period.

8.1 Detailed cost breakdown

Attached to this report are three Appendices relating to my costs on this assignment:

- Appendix C: A copy of Rowlands's - statement on remuneration and expenses in insolvency proceedings;
- Appendix D: Joint Administrators category 2 disbursements table
- Appendix E; Statement of expenses analysis
- Appendix F: Joint Administrators' time cost analysis.

The work that we do as Joint Administrators is derived from the responsibilities placed upon us by the underlying legal and regulatory framework for work of this nature in general. The actual matters with which we are dealing are set out briefly in both this report and in our earlier reports to creditors.

We believe this case generally to be of average complexity, and accordingly no extraordinary responsibility has to date fallen upon us as Joint Administrators. The underlying basis of charging proposed to and approved by the creditors has been Rowlands standard charge out rates. Rowlands charge out rates have been reviewed periodically.

8.2 Other professional costs

Ward Hadaway solicitors, have been retained as legal advisors in view of their general experience and expertise in these matters. I have agreed their remuneration on the

basis of their standard hourly charge-out rates, plus VAT and disbursements, and their agreed fees of £6,410 50 and disbursements of £69.25 plus VAT have been paid

Chipchase Manners accountants assisted with the preparation of the Statement of affairs and their remuneration agreed on their standard charge out rates, plus VAT and disbursements. Their agreed fee of £2,000.00 plus VAT have been paid.

Lithgow Sons & Partners were retained as agents to value and dispose of the company's tangible assets. I have agreed that they be remunerated on the basis of their standard commission rates, plus disbursements and VAT. They have submitted invoices totalling £855.00 which have been paid.

9 CREDITORS' RIGHT TO INFORMATION AND ABILITY TO CHALLENGE REMUNERATION AND EXPENSES

In accordance with the provisions of Rules 2.48A and 2.109 of the Rules, creditors have a right to request further information about remuneration or expenses (other than pre-administration costs) and to challenge such remuneration or expenses

A request for further information must be made in writing within 21 days of receipt of this report.

Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors, including that creditor, or the permission of the Court, may apply to Court that the remuneration charged, the basis fixed or expenses incurred by the administrator are in all the circumstances excessive

Any such challenge must be made no later than eight weeks after receipt of the report which first discloses the charging of remuneration or incurring of the expenses in question.

Should you have any further queries please do not hesitate to contact me



ANDREW LITTLE
ROWLANDS
JOINT ADMINISTRATOR

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

COMPANY INFORMATION

Company Name	H & J Forbes Limited
Functions:	<p>The Joint Administrators' appointment specified that they would have power to act jointly and severally</p> <p>The Joint Administrators' have exercised, and will continue to exercise, all of their functions jointly and severally as stated in the notice of appointment</p>
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

Appendix B

RECEIPTS AND PAYMENTS ACCOUNT - 19 JULY 2013 TO 18 JANUARY 2014

SOA Value £		£	£
	FINANCE / HIRE PURCHASE AGREEMENTS		
9,600.00	Leased Assets	9,600.00	
(1,994 09)	Leased Assets (Amounts Owing)	(1,994.09)	
7,606 00	Leased Assets Control	0 00	
			7,605 91
	ASSET REALISATIONS		
0 00	Bank Interest Gross	142 35	
32,977 44	Cash at Bank at appointment	28,259.84	
90,873 94	Debtors (Pre-Appointment)	73,546 54	
16,000 00	Motor Vehicles	16,000.00	
0 00	Petty Cash	8 95	
			117,957.68
	COST OF REALISATIONS		
0.00	Administrator Fees	(23,324 00)	
0 00	Agents / Valuers Fees	(855 00)	
0.00	Architect costs re debtors	(1,750 00)	
0 00	Casual Wages	(550 00)	
0 00	Company search	(10 00)	
0 00	Insurance	(360 40)	
0.00	Legal Fees & disbursements	(6,479 75)	
0 00	Mileage	(141 30)	
0 00	Administrators Pre-appointment fees	(6,676 00)	
0 00	Professional Fees	(2,000.00)	
0 00	Site clearance costs	(150.00)	
0 00	Specific Bond	(240.00)	
0 00	Statutory Advertising	(140 00)	
			(42,676 45)
	PREFERENTIAL CREDITORS		
(51,671 16)	Holiday Pay	0 00	
(11,180 00)	Wages	0.00	
			0 00
	UNSECURED CREDITORS		
(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
	EQUITY		
(700 00)	Ordinary A	0.00	
(500 00)	Ordinary B	0 00	
			0 00
(200,688.22)			82,887 14
	REPRESENTED BY		
	Estate Current Account	75,942.93	
	VAT Receivable (Payable)	6,944 21	
			82,887 14
			82,887.14

Appendix C

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. Alternatively a hard copy may be requested from Rowlands, 8 High Street, Yarm, Cleveland, TS15 9AE or 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

H. & J. Forbes Limited - In Administration

Progress report

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

H. & J. Forbes Limited - In Administration

Progress report

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 ongoing bond maintenance, any general insurance, uplift and ongoing 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.

H. & J. Forbes Limited - In Administration

Progress report

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, ongoing 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, ongoing 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, ongoing 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 ongoing employee correspondence

Trading

Assessment of suitability to trade including preparation of profit and cash flow forecasts, company resources, risk analysis etc, assessing ongoing terms of trade with customers and suppliers, ongoing site presence to monitor and supervise trading, dealing with employees, customers and suppliers, internal reviews to assess ongoing 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 D**ROWLANDS****JOINT ADMINISTRATORS' CATEGORY 2 DISBURSEMENTS IN THE PERIOD FROM
19 JULY 2013 TO 18 JANUARY 2014**

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			
Recipient, Type and Purpose	Category	Paid	Unpaid
		£	£
Mileage	2	126.90	
Company Search	2	10.00	
Total		136 90	

Appendix E**STATEMENT OF EXPENSES INCURRED BY THE JOINT ADMINISTRATORS' IN THE PERIOD FROM 19 JULY 2013 TO 18 JANUARY 2014**

Type and Purpose	Incurred in Period
	£
Agents / Valuers Fees	855 00
Architects Costs re debtors	1,750 00
Casual Wages	550.00
Insurance	360.40
Legal Fees & disbursements	6,479.75
Professional Fees	2,000.00
Site clearance costs	150.00
Statutory Advertising	140.00
Total	12,285 15

Appendix F

JOINT ADMINISTRATORS' TIME COST ANALYSIS

FOR THE PERIOD FROM 19 JULY 2013 TO 18 JANUARY 2014

	Hours Spent					Time Costs £
	Partner	Manager	Admini- strator	Assistants & Support Staff	Total	
Administration and planning	15.50	45 60	1 20	2.00	64 30	9,205.60
Investigations	2.70	1 60	0 00	0 00	4 30	748 00
Realisation of assets	13 30	24.80	0.90	0.70	39 70	6,074 70
Trading	0 00	0.00	0 00	0 00	0.00	0.00
Creditors	10 20	52.00	0 00	3.50	65.70	8,870.00
Case specific Matters	0 00	0.00	0.00	0.00	0.00	0.00
Total hours	41.70	124.00	2 10	6.20	174 00	
Total time costs	8,396.00	16,120.00	142.80	239 50		24,898 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 F

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 ongoing 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 administrator(s)) following the appointment our staff will have had to set up accounts with suppliers in order to trade on an ongoing 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 ongoing 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 G**ANALYSIS OF PRE-ADMINISTRATION COSTS**

Pre-Administration Costs Charged / Incurred			
Name	£		
	Charged / Incurred	Unpaid	Approved
Administrators' Fees & Disbursements			
Fees	6,676 00		6,676.00
Mileage	14.40		14.40
Total	6,690 40		6,690.40

APPENDIX H

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
Total hours	29 90	6.00	0.00	0.00	35.90	0 00
Total time costs	5,896.00	780 00	0 00	0 00	0 00	6,676.00

