

AM10

Notice of administrator's progress report



Companies House

FRIDAY



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COMPANIES HOUSE

1 Company details

Company number 0 2 0 3 2 0 3 2

Company name in full Bowesfield Properties Limited

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

2 Administrator's name

Full forename(s) Arron

Surname Kendall

3 Administrator's address

Building name/number 88

Street Wood Street

Post town

County/Region London

Postcode E C 2 V 7 Q F

Country United Kingdom

4 Administrator's name ①

Full forename(s) Simon

Surname Thomas

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

5 Administrator's address ②

Building name/number 88

Street Wood Street

Post town

County/Region London

Postcode E C 2 V 7 Q F

Country United Kingdom

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

AM10

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6 Period of progress report

From date	d 0 4	m 0 4	y 2 0 1 7
To date	d 0 3	m 1 0	y 2 0 1 7

7 Progress report

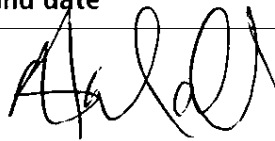
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date	d 1 2	m 1 0	y 2 0 1 7
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AM10

Notice of administrator's progress report



Presenter information

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

Contact name **Micah Wright**

Company name **Moorfields Advisory Limited**

Address **88**

Wood Street

Post town

County/Region **London**

Postcode **E C 2 V 7 Q F**

Country **United Kingdom**

DX

Telephone **0207 186 1144**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



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Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



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**Bowesfield Properties Limited
(In Administration)**

Joint Administrators' Third Progress Report

in accordance with

Rule 18.6 of the Insolvency Rules 2016

10 October 2017

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Disclaimer:

This report has been prepared for the sole purpose of updating creditors for information purposes. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.

Bowesfield Properties Limited – In Administration (“the Company”)

1. Background and Statutory Information

This is the Joint Administrators’ (“the Administrators”) third progress report on the conduct of the Administration from 4 April 2017 to 3 October 2017 in accordance with the requirements of Rule 18.6 of the Insolvency Rules 2016 (“the Rules”).

This report should be read in conjunction with the Administrators’ previous reports dated 24 November 2016 and 3 April 2017. There has been no major deviation from the strategy as outlined in the Proposals dated 9 June 2016.

The Company entered Administration on 29 April 2016 and Arron Kendall and Simon Thomas, both Licensed Insolvency Practitioners of Moorfields Advisory Limited (“Moorfields”), 88 Wood Street, London EC2V 7QF, were appointed to act as Joint Administrators.

To date no fees have been drawn in respect of the Administration. Further information regarding fees is given in section 4.

Based on current information, there will be no distribution to the unsecured creditors other than by way of the Prescribed Part.

Statutory information relating to the Company and the Administrators’ appointment is attached at Appendix I.

2. Progress of the Administration

The affairs, business and property of the Company are managed by the Administrators who act as agents of the Company and contract without personal liability.

The Administrators’ Receipts and Payments Account for the period from 4 April 2017 to 3 October 2017 together with a cumulative account from the date of appointment is attached at Appendix II.

The Administrators would comment specifically as follows:

2.1 Fixed Charge Asset Realisations

As mentioned in the Administrators’ previous report, no further fixed charge realisations are anticipated as shown in the Receipts and Payments Account in Appendix II for this period.

2.2 Floating Charge Asset Realisations

2.2.1 Bank Interest

Bank interest totalling £301 has been received to date, of which £234 was received during this reporting period.

2.2.2 Tenant Arrears

You may recall in the Administrators' previous report that there could potentially be further realisations for tenant arrears. As reflected in the Receipts and Payments Account, there have been no realisations in this regard. The Administrators have determined that it would not be commercial to pursue these arrears further

2.3 Assets still to be realised

There are two possible realisations due to the Company:

- A pre-existing debt claim against Hartlepool Realisations Limited ("HRL"), also in Administration, for £1.9m. A dividend is anticipated from HRL, which is expected to realise c. £25,000.
- A further debt claim has arisen against Bowesfield Investments Limited ("BIL"), also in Administration, for £1.5m as a result of distributions made under the cross guarantee discussed in section 7 below. A dividend is anticipated from BIL, which is expected to realise c. £10,000.
- The Administrators are investigating a possible terminal loss relief claim which may result in a recovery from HM Revenue & Customs.

2.4 Sale of assets to a connected party

In accordance with Statement of Insolvency Practice ("SIP") 13, the Administrators confirm there have been no disposals to connected parties in the period of the Administration and they are not aware of any disposals in the two years preceding the Administration.

2.5 Joint Administrators' Expenses

The expenses paid by the Administrators in the period of this report are reflected in the Receipts and Payments Account at Appendix II. Details of the expenses that have been incurred by the Administrators in the period but not paid can be found in section 5 below.

2.6 Professional Advisers

The Administrators have used the professional advisers listed below in the period:

Name of Adviser	Brief description of services provided	Basis of fee arrangement	Costs incurred to date	Costs paid to date	Amount unpaid £
Howlader & Company	Preparation of CT600 returns	Fixed Fee	£3,500	£3,500	Nil
Brecher Solicitors	Advice and legal documentation in respect of the intercompany loan claims	Fixed Fee	£5,900	£5,900	Nil

The Administrators' choice was based upon their perception of the advisers' 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. The Administrators have reviewed the fees charged and are satisfied that they are reasonable in the circumstances of the case. Please refer to previous reports for details of professional advisors used in earlier periods.

3. Pre-administration Costs

The following amounts in respect of pre-administration costs were approved in accordance with Rule 3.52 of the Rules:

Name of recipient	Brief description of services provided	Total amount approved
Brecher LLP	Pre-appointment documents drafting	£1,555.00

The pre-administration costs were reported in the Proposals dated 9 June 2017 and approval of payment has been sought and given by the Secured Creditor in accordance with Rule 3.52 of the Rules.

These legal fees have now been paid by the Administrators.

4 Joint Administrators' Remuneration

The statutory provisions relating to remuneration are set out in Rule 18.16 of the Rules. Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with SIP 9, and they can be accessed at www.insolvency-practitioners.org.uk. There are different versions of these Guidance Notes, and in this case please refer to the October 2015 version. Please note that the Administrators have also provided further details in the practice fee recovery sheet.

In accordance with the Proposals, and pursuant to Rule 18.18 of the Rules, approval for remuneration and Category 2 disbursements were sought from the Secured Creditor. On 23 February 2017 the Secured Creditor agreed the Administrators' proposed remuneration, details of which can be found in the Administrators' previous report.

No amounts have been drawn in respect of the Administrators' remuneration, however it is expected to be approximately £200,000 excluding any fees associated with distribution of the Prescribed Part (see Section 6).

The Administrators have realised assets subject to a fixed charge on behalf of the Secured Creditor and received a fee in respect of work undertaken. These realisations were outlined in the Administrators' previous report. No further realisations and subsequent fees have been incurred in this reporting period.

Although the Administrators have not sought to fix their remuneration on a time cost basis, they are still obliged to include details of time costs for the period of this report in accordance with SIP 9.

Attached at Appendix III is a SIP 9 time and cost analysis which provides details of the activity costs incurred by staff grade by reference to time properly spent by the Administrators in managing the Administration during the period of this report. Time costs for the period from 4 April 2017 to 3 October 2017 are £7,276. This represents 23 hours at an average hourly rate of £314 per hour. No time costs have been drawn in the period.

Further appended to this report at Appendix III is a cumulative time analysis for the period from 29 April 2016 to 3 October 2017 which provides details of the Administrators' time costs since appointment. Total time costs for the Administration are £132,324, represented by 440 hours at an average hourly rate of £301.

It is the Administrators' policy to delegate the routine administrative tasks to less senior staff in order to maximise the cost effectiveness of the work performed. These staff are supervised by senior staff and the Administrators. Any matter of complexity or significance is dealt with by the senior staff on the team and the Administrators.

Attached at Appendix IV is a schedule detailing activities undertaken together with supporting information in accordance with SIP 9. This also contains additional information in relation to this firm's policy on staffing, disbursements and details of our current charge-out rates by staff grade.

5. Joint Administrators' Disbursements

All expenses and disbursement paid by the Administrators are reflected in the Receipts and Payments Account at Appendix II. In accordance with SIP 9, where expenses are incurred by Moorfields in respect of the insolvent estate they may be recharged. Such expenses can be divided into two categories, details of which are provided at Appendix IV.5.1 Category 1 Disbursements

The Administrators have incurred disbursements of £335 during the period. The total Category 1 disbursements incurred to date is £986, as outlined below:

Disbursement	Incurred to date
	£
Specific Bond	336.00
Travel	559.98
Postage	45.74
Land Registry Searches	33.00
Subsistence	10.86
TOTAL	985.58

Disbursements of £669 were drawn in previous periods.

5.2 Category 2 Disbursements

The following Category 2 disbursements have been incurred by the Administrators to date, but not paid:

Disbursement	Incurred to date
	£
Experian Identification Search	10.00
Creditor Portal	50.00
TOTAL	60.00

6. **Prescribed Part**

Under the provisions of Section 176A of the Insolvency Act 1986 the Administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where a company has granted a floating charge to a creditor after 15 September 2003.

The Prescribed Part (section 176A of the Insolvency Act 1986 (Prescribed Part) Order 2003) applies where there are floating charge realisations, net of costs and preferential claims (the 'net property'), to be set aside for unsecured creditors. This equates to:

- 50% of net property up to £10,000
- Plus 20% of net property in excess of £10,000
- Subject to a maximum of £600,000.

The Company's net property is the amount of its property subject to any floating charges created by the Company after allowing for costs and claims of preferential creditors.

The Company granted a floating charge to OCM Albion Debtco ("the Secured Creditor") on 21 January 2009 and the Prescribed Part provisions will apply. Based on current information there will be sufficient floating charge asset realisations to make a distribution under the Prescribed Part.

The Administrators are unable to confirm the total value of the prescribed part distribution as there are further asset realisations expected and costs to finalise, however they will update creditors in their next report.

7. **Estimated outcome for creditors**

7.1 Secured Creditors

You will recall that the liability to the Secured Creditor as reported in the Statement of Affairs was £40,630,925. The balance is as a result of a corporate guarantee provided in respect of a liability owed by BIL, to the Secured Creditor, secured by way of a debenture conferring fixed and floating charges over the Company's assets dated 21 January 2009.

There is anticipated to be a substantial shortfall to the Secured Creditor after all BIL's assets are realised and consequently sums totalling £899,502 were

distributed to the Secured Creditor from fixed charge realisations and £595,000 from floating charge realisations. There have been no distributions to the Secured Creditor this reporting period. Further distributions are anticipated, however the Secured Creditor is still expected to suffer a substantial overall shortfall.

7.2 Preferential Creditors

The Company had no employees and consequently there are no known preferential creditors.

7.3 Unsecured Creditors

The Administrators have received total claims of £981,899 from 4 unsecured creditors. These claims will be formally adjudicated when the Administrators are in a position to make a Prescribed Part distribution as discussed in section 6.

There will be no distribution to unsecured creditors other than by way of the Prescribed Part.

8. Investigations

As previously reported, and in accordance with the Company Directors Disqualification Act 1986 a report was submitted on the conduct of the Directors of the Company to the Department for Business Innovation & Skills. As this is a confidential report, the Administrators are not able to disclose the contents.

Steps taken to investigate the directors' conduct was discussed in previous reports.

If creditors wish to bring any matters they believe to be relevant to the attention of the Administrators, they are invited to do so in writing to Arron Kendall and Simon Thomas at Moorfields, 88 Wood Street, London EC2V 7QF.

9. Exit from Administration

As outlined in the initial report to creditors it is the Administrators' intention to exit the Administration via dissolution. Due to the extension of the Administration, the Administrators' appointment is now due to expire on 28 April 2018. The appointment period can be further extended by an application to Court if the Administrators require further time to deal with the Administration.

If there are matters which the Administrators deem can only be dealt with by a Liquidator, then they may make arrangements to convert the Company from Administration to Liquidation. If not, the Administrators will file a notice of dissolution with the Registrar of Companies.

The Administrators have already received approval from the Secured Creditor, on 23 February 2017, to be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrator ceasing to have effect.

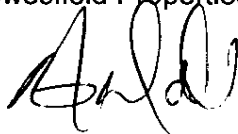
10. Creditors' rights

Within 21 Days of the delivery of this report, a secured creditor, or an unsecured creditor (with concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Administrators provide further information about their

the Administrators' remuneration, the remuneration charged or the expenses incurred by the Administrators as set out in the progress report are excessive (Rule 18.34).

If you have any queries regarding this report please contact Micah Wright of this office in the first instance. The Administrators will report to you again at the conclusion of the Administration or in six months' time, whichever is the sooner.

For and on behalf of
Bowesfield Properties Limited

A handwritten signature in black ink, appearing to read 'A S Kendall', written over the company name.

A S Kendall
Joint Administrator

DDI 0207 186 1157
Fax 0207 186 1177
Email mwright@moorfieldscr.com

Arron Kendall and Simon Thomas of Moorfields, 88 Wood Street, London EC2V 7QF were appointed Joint Administrators on 29 April 2016. The Administrators now manage the affairs, business and property of the Company. The Joint Administrators act as agents only and without personal liability.

**Bowesfield Properties Limited
Statutory Information**

Company Information

Company Number: 02032032

Registered Office: Moorfields Advisory Limited 88 Wood Street, London EC2V 7QF

Trading Address: Mandale House, 5 Neville Road, North Tees Industrial Estate, Stockton On Tees TS18 2RD

Principal Activity: Real Estate Investment

Appointment details

Joint Administrators: Arron Kendall and Simon Thomas (IP numbers 1826 & 1289)

Joint Administrators' address: Moorfields, 88 Wood Street, London EC2V 7QF

Date of appointment: 29 April 2016

Court: High Court of Justice, Companies Court

Court Reference: 2354/2016

Appointed by: OCM Albion Debtco DAC

Functions: Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Joint Administrators acting jointly or alone.

EC Regulations: The Company's registered office is from where the Company carries on its business. Therefore in the absence of proof to the contrary, the Company's centre of main interests is in the United Kingdom and as such these proceedings will be the main proceedings as defined in article 3 of the EC regulation.

Extensions: By court consent of the Secured Creditor it was resolved, in accordance with Paragraph 76(2) of Schedule B1 of the Act, that the Administrators may extend the period of Administration until 28 April 2018.

Appendix II

Bowesfield Properties Limited (In Administration)

Joint Administrators' Receipts and Payments Account and Cumulative

		For the period from 4 April 2017 to 3 October 2017		Total for period 29 April 2016 to 3 October 2017		
Notes	Estimated to realise per Statement of Affairs	Fixed Charge	Floating Charge	Fixed Charge	Floating Charge	Total
	£	£	£	£	£	£
Receipts						
Freehold Land & Property	800,000.00			935,000.00		935,000.00
Bank Interest			234.03	12.98	287.82	300.80
Tenant Arrears	8,000.00				7,890.68	7,890.68
Cash at Bank	32,000.00				32,211.19	32,211.19
Rent					21,261.06	21,261.06
Associated Debtors	893,000.00				970,478.63	970,478.63
Total	1,733,000.00	0.00	234.03	935,012.98	1,032,129.38	1,967,142.36
Payments						
Legal Fees			5,900.00	4,716.00	30,566.00	35,282.00
Agents/Valuers Fees				11,650.00		11,650.00
VAT Irrecoverable				1,635.00		1,635.00
Bank charges		33.00	25.00	83.10	47.80	130.90
Insurance				1,755.04		1,755.04
Office Holders' Cat 1 disbursements					669.02	669.02
Facility Management Fees					4,100.00	4,100.00
Pre Admin Legal Fees			1,555.00		1,555.00	1,555.00
Taxation fees			3,500.00		3,500.00	3,500.00
Storage Costs					32.50	32.50
Statutory Advertising					84.60	84.60
Total	-	(33.00)	(10,980.00)	(19,839.14)	(40,554.92)	(60,394.06)
DISTRIBUTIONS						
OCM Albion Debtco DAC		0.00	0.00	(899,502.00)	(595,000.00)	(1,494,502.00)
Balance in Hand	-	(33.00)	(10,745.97)	15,671.84	396,574.46	412,246.30
MADE UP AS FOLLOWS						
Vat Receivable						2,180.00
Non Interest Bearing Bank Account - Fixed	1					15,671.84
Interest Bearing Bank Account - Floating						394,394.46
TOTAL						412,246.30

1) The account was taken of interest bearing in anticipation of the Administrators disbursing remaining fixed charge funds shortly.

Appendix III

Time Entry - Cumulative Detailed SIP9 Time & Cost Summary

BPROP001 - Bowesfield Properties Limited

Classification of Work Function	For period 4 April 2017 to 3 October 2017							For period from 29 April 2016 to 3 October 2017	
	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Avg Hourly Rate (£)	Hours Cum (POST Only)	Time Costs Cum (POST Only)
10 Case Planning	0.00	0.60	0.80	0.00	1.40	417.00	297.86	18.90	5,172.00
** 11 Administrative Set Up	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	50.00
** 12 Appointment Notification	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.30	3,121.50
13 Maintenance of Records	0.00	0.00	0.70	0.00	0.70	178.50	255.00	0.70	178.50
14 Statutory Reporting	0.00	0.00	2.90	0.00	2.90	670.50	231.21	30.80	8,045.00
15 Case Monitoring	3.50	0.50	0.70	0.00	4.70	2,258.50	480.53	40.70	14,517.50
17 General Administration	0.00	0.00	1.10	0.00	1.10	280.50	255.00	9.20	2,673.00
18 Cashiering	0.00	0.00	1.60	3.70	5.30	996.00	187.92	26.00	4,815.50
70 Post appoint VAT and CT returns	0.00	0.80	2.80	0.00	3.60	998.00	277.22	15.70	4,643.50
Admin & Planning	3.50	1.90	10.60	3.70	19.70	5,799.00	294.37	152.30	43,676.50
30 Freehold / Leasehold Property	0.00	0.00	0.10	0.00	0.10	27.50	275.00	12.130	34,303.50
** 34 Debtors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.50	942.50
** 36 Identifying, Securing, Insuring	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13.70	3,966.50
** 38 Asset related legal matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	127.50
** 71 Other Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.50	637.50
** 77 Managing Agent	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.30	2,041.50
Asset Realisation	0.00	0.00	0.10	0.00	0.10	27.50	275.00	148.80	41,249.00
50 Creditor Correspondence	0.00	0.00	0.80	0.00	0.80	204.00	255.00	0.80	204.00
51 Unsecured creditor claims	1.00	0.00	0.00	0.00	1.00	530.00	530.00	4.50	2,385.00
** 52 Secured creditor claims/Reporting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.80	284.00
63 Secured creditor reports	0.00	0.40	0.00	0.00	0.40	142.00	355.00	4.10	1,255.50
64 Prescribed Part Matters	1.00	0.00	0.00	0.00	1.00	530.00	530.00	4.50	2,210.00
Creditors	2.00	0.40	0.80	0.00	3.20	1,406.00	439.38	14.70	6,338.50
** 21 CDDA Reports	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.50	892.50
22 Antecedent Transactions	0.00	0.05	0.10	0.00	0.15	43.25	288.33	17.68	39,402.80
** 65 Director's Correspondence	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.50	382.50
Investigations	0.00	0.05	0.10	0.00	0.15	43.25	288.33	122.68	40,677.80
** 40 Management of Operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	127.50
** 41 Accounting for Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	255.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	NAN	1.50	382.50
Total Hours	5.50	2.35	11.60	3.70	23.15	7,275.75	314.29	439.98	132,324.30

Bowesfield Properties Limited

1. Explanation of office-holders charging and disbursement recovery policies

In accordance with best practice we provide below details of policies of Moorfields, in respect of fees and disbursements for work in relation to insolvency estates.

This summary outlines the activities undertaken during this matter to date together with details of charge out rates for time costs incurred and the basis of disbursements incurred and recharged.

The activities are summarised as follows:

1.1. Administration and planning

The following activities have been undertaken:

- Statutory duties associated with the appointment including the filing of relevant notices;
- Notification of the appointment to creditors, members, employees and other interested parties;
- Setting up of case files
- Reviewing available information to determine the appropriate strategy;
- Setting up and maintaining bank accounts;
- Implementing the strategy for the Administration;
- 6 monthly progress review of the case;
- Completion of statutory returns to the Insolvency Compliance Unit of the Department for Business Innovation and Skills

Staff of different levels were involved in the above activities depending upon the experience required.

1.2. Realisation of assets

Appendix II shows the realisations made for the benefit of the creditors.

The time spent includes the following matters:

- Monitoring property, collecting rent and dealing with related issues
- Selling property
- Analysing associated company debts and taking steps to recover them.
- Taking legal advice.
- Liaising with the Company's bankers to recover cash at bank.
- Pursuing rent arrears and other debts.

1.3. Creditors

The time spent includes the following matters:

- Recording and maintaining the list of creditors;
- Recording creditor claims;
- Dealing with specific creditor calls and correspondence;
- Reporting to creditors;
- Dealing with creditor queries;
- Preparing creditor reports; and
- Reviewing and evaluating creditor claims to date.

2. Time recording

The Partners will engage managers and other staff to work on the insolvent estate and statutory compliance diaries. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the estate's bank accounts. Work carried out by all staff is subject to the overall supervision of the Partners.

All time spent by staff working directly on case related matters is charged to a time code established for the case. Each member of staff has a specific hourly rate, which is subject to change over time.

The current charge out rates per hour of staff within the firm who may be involved in working on the insolvency follows, this in no way implies that staff at all such grades will work on the case:

GRADE	£
Partner	530
Director/ Senior Manager	450
Manager	355
Assistant Manager	300
Senior Administrator	255
Administrator	225
Cashier/ Support	195

The rates charged by Moorfields are reviewed periodically in January & July each year and are adjusted to take account of inflation and the firm's overheads.

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 in units of 6 minutes.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time cost basis the time invoiced will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors, the report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs. The current hourly rates may be higher than the average rates, if hourly rates have increased over the period covered by the fee request.

Approved remuneration will be drawn at such times that sufficient funds are available.

For your information, A Creditor's Guide to Administrators' Fees can be obtained at <http://www.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/creditors-guide-to-administrators-fees-england-and-wales-apr-10.pdf>

3 Disbursement recovery

Category 1 Disbursements

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as travelling, postage, photocopying if external provider, statutory advertising and other expenses made on behalf of the assignment.

Such disbursements can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with Statement of Insolvency Practice No. 9, it is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the disbursements drawn.

Category 2 Disbursements

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred by Moorfields for the provision of services which include an element of recharged overhead, for example, room hire or document storage. Statement of Insolvency Practice No. 9 provides that such disbursements are subject to approval as if they were remuneration. It is our policy, in line with the Statement, to seek approval for Category 2 disbursements before they are drawn.

The following Category 2 disbursements may be charged by this firm

- Stationery and postage charge for sending out circulars – 5 pence per sheet plus postage at cost.
- A set-up charge of £50 per case for online creditor reporting where applicable
- Mileage allowances are paid at HM Revenue & Customs approved rates. For personnel using their own vehicles, these are currently 45 pence per mile for the first 10,000 miles and 25 pence per mile thereafter.
- A charge of £10 for identification search's per director to comply with Money Laundering Regulations.

It should be noted that disbursements costs might increase from time to time, however, increases would only be in line with inflation or increases from our supplier.