

## TO ALL MEMBERS AND KNOWN CREDITORS

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Our ref: JT/OKT001MS

13 June 2016

Dear Sirs

**OktoberFest UK Ltd - In Administration ("the Company")**  
**Company Number: 09507842**  
**High Court of Justice No. 9092 of 2015**

Andrew Pear and I, of BM Advisory of 82 St John Street, London EC1M 4JN, were appointed Joint Administrators of the Company on 23 November 2015, following an application by the directors of the Company. The Notice of Appointment was filed in the High Court of Justice under reference number 9092 of 2015.

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

The purpose of this report is to provide creditors with an account of the progress of the Administration, for the period 23 November 2015 to 22 May 2016, in accordance with rule 2.47 of the Insolvency Rules 1986. A copy of Form 2.24B is attached to this report.

This report should be read in conjunction with my earlier reports to creditors, copies of which are available on request.

### STATUTORY INFORMATION

Statutory information relating to the Company is attached at *Appendix I*.

### PROGRESS OF THE ADMINISTRATION

The Company was incorporated on 25 March 2015, in order to set up and run OktoberFest events between 8 and 11 October 2015. Tickets were predominantly purchased through an online ticketing agent, Billetto.

As previously advised, the Company effectively ceased to trade on the cancellation of the remaining OktoberFest sessions. Given the lack of available working capital and as there were no funders with a financial interest in the Company and its business capable, or willing, to provide on-going working capital, it was determined that the objective of the Administration was best achieved by the Administrators not trading the business and realising the Company's assets for the benefit of the creditors as a whole, including the pursuit of any legal proceedings.

Under the Data Protection Act 1998, Billetto were unable to provide me with the names and addresses of the ticketholders of the cancelled sessions, therefore, I posted a statement on the Company's website with details of my appointment. Given the large volume of ticketholders of cancelled sessions, I applied to Court to request

that all future communications with ticketholders could be given via the Company's website. This request was on the basis that it would avoid incurring extensive printing and postage costs which would be incurred each time I am required to report to creditors and therefore reduce the pool of funds available to creditors. On 8 February 2016, the High Court of Justice ordered that the Administrators' notices be delivered by making them available for viewing and downloading via the Company's website ([www.oktoberfest.london](http://www.oktoberfest.london)). Confirmation of this was sent to all known creditors at the time.

At the date of my appointment the Company's tangible assets consisted of cash at bank in the sum of £135,642 and alcohol and event props that were left at the venue. These assets have both been realised during this reporting period.

In addition, the directors considered that there were payments made in advance for services that were not required due to the cancellation, referred to as prepayments, which could be recovered. Following an initial letter to these suppliers I was advised that these prepayments were disputed and my investigations in this regards are ongoing.

As previously advised, the Company's main asset was considered to be a claim for the losses incurred from the cancellation of the events. Together with my lawyers, I am continuing to carry out investigations into this matter in order to determine the appropriate course of action which is in the best interests of the creditors. This has required conducting a number of interviews with all pertinent parties who were present on the first day of the event, which is taking more time than originally envisaged. I am in correspondence with the main parties, however, I am unable to confirm to creditors what the expected course of action will be, what costs will be involved or an estimated outcome at this time.

In addition to the above, since my appointment I have dealt with all statutory duties and obligations incumbent on Administrators, including the completion and filing of my confidential report to the Secretary of State. This report relates to any matters that have come to my attention with regard to the conduct of any current or previous director, in the three years prior to my appointment and as per insolvency legislation.

Subject to the outcome of the Company's claim for redress and based on the directors' assessment of the Company's financial position at the date of my appointment, the Company may have been able to pay all its creditors in full and as such the purpose of the Administration was to rescue the Company as a going concern. However, due to the risks of litigation it was also considered that if the first objective could not be achieved the purpose of the Administration was to realise a better result for creditors than if the Company were wound up (without first being in Administration). There has been no amendment or deviation from the proposals.

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

Attached at **Appendix II**, is the Joint Administrators' receipts and payments account, for the period 23 November 2015 to 22 May 2016, detailing a balance on hand of £114,608. The funds are held in an interest bearing estate account.

## **ASSETS**

### **Wet stock and event props**

The directors had estimated that wet stock and other equipment left on site at the venue, Tobacco Dock, had a realisable value of £19,282. My agent, valued the items and estimated the realisable value to be £3,750 in a forced sale scenario. After seeking offers from a number of interested parties all remaining stock was sold for £5,001 plus VAT to an unconnected third party and the funds have been received in full.

### **Cash at bank**

The pre-appointment bank accounts were frozen on my appointment and a total balance of £135,642 was realised.

## **VAT refund**

Following a review of the books and records it was considered that the Company may be due a pre-appointment VAT refund. I engaged tax experts, Adler Shine LLP, to review the Company's records and supporting documentation available and following their advice I submitted the Company's outstanding pre-appointment returns, which resulted in a VAT refund of £14,163. Therefore, I expect HM Revenue & Customs to withdraw the initial unsecured claim of £6,051.

## **Legal claim**

As discussed above, I am continuing my investigations into the circumstances of this matter to determine the appropriate course of action. Unfortunately, due to the inherent risks and uncertainty of litigation my investigations are taking longer than originally envisaged and I am unable to provide creditors with any further information at this stage.

## **Prepayments**

The Company paid for a number of services in advance of the commencement of the first session and it was considered that some monies should be repayable given the remaining sessions were cancelled. On my appointment I wrote to these suppliers and any repayment was disputed in full. Some of these claims needed to be considered in conjunction with the legal claim above and my investigations are ongoing.

The directors also advised that unauthorised sums, totalling approximately £17,150, were taken from the Company's bank account prior to my appointment. This matter is also disputed by the parties involved but my investigations are continuing.

## **LIABILITIES**

### **Secured creditor**

There is no secured creditor in this matter.

### **Preferential creditors**

There are no known preferential creditors.

### **Unsecured creditors**

Based on the Company's records it was estimated that at the date of appointment, trade suppliers were owed approximately £242,913 and ticketholders for cancelled sessions were owed approximately £874,034. This included a claim from HM Revenue & Customs which I anticipate will be withdrawn.

At the date of this report, I have received over 950 claims with a value of £474,647. In addition, the ticketing agency Billetto has received 703 claims with a value of £325,794. These figures are still likely to increase once chargeback fees are applied.

## **DIVIDENDS**

A dividend payment to unsecured creditors is dependent on the outcome of the ongoing investigations into the cancellation of the event. A Proof of Debt form is attached at **Appendix III** for the purpose of lodging your claim (if not already provided), should a dividend become available.

## **PRESCRIBED PART**

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

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

### **JOINT ADMINISTRATORS' INVESTIGATIONS**

Under the insolvency legislation, the Administrators have a duty to consider the conduct of those persons who have been directors of the Company, shadow directors or de facto directors at any time within three years preceding the Administration and consider whether any civil proceedings should be taken.

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking into account public interest and the potential recoveries and costs involved. I completed an initial review of the Company's bank statements in order to determine if there are any other funds that could be recovered for the benefit of creditors. No further transactions, in addition to the prepayments discussed above, were identified and no transactions were identified that would be recoverable in the Administration. I also have recovered the Company's accounting records and compared information in the Company's accounts with that in the statement of affairs and bank statements. I have made enquiries where necessary and concluded that there were no matters that justified further investigation

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

### **PRE-ADMINISTRATION COSTS**

At a meeting of creditors by correspondence held on 1 February 2016, BM Advisory's pre-Administration costs were approved by creditors, in the amount of £625 plus VAT. These costs have been paid in full during this reporting period.

### **JOINT ADMINISTRATORS' REMUNERATION**

It was agreed at a meeting of creditors by correspondence held on 1 February 2016 that the Joint Administrators be remunerated by reference to time properly spent by them and their staff in attending to matters arising from the Administration of the Company.

Since the Administration commenced, a total of 272.6 hours have been spent during the period 23 November 2015 to 22 May 2016 at a cost of £82,985, resulting in an average hourly charge out rate of £304. This is compared to anticipated hours of 242.5 at an average hourly rate of £267, which I estimated at the outset of my appointment, for the whole period of the Administration. A summary of my time costs for this reporting period and the work undertaken in this period is attached at **Appendix IV**, together with a comparison to the original fee estimate approved by creditors and BM Advisory's policy on fees.

The sum of £30,000 plus VAT has been drawn against these time costs to date. My time costs have exceeded the original estimate as I had based my estimate on a number of assumptions including, the current legal matters could be settled without extended legal proceedings and that the volume of queries from ticketholders would reduce over time, both of which have not occurred. However, given the current uncertainty with regards to the ongoing legal matters, I do not intend to provide creditors with a revised fee estimate at this time. I will only seek further creditor approval at such time that there is more information as to the likely recovery to creditors, timing and costs involved.

A copy of 'A Guide to Administrators' Fees' can be located on the following website which provides information relating to Administrators' remuneration: [www.r3.org.uk/index.cfm?page=1591](http://www.r3.org.uk/index.cfm?page=1591). A hard copy is available on request.

Detailed below are the expenses I expected to incur during the Administration and what I have incurred to date. During this reporting period, £1,222 plus VAT has been paid towards expenses incurred.

		<b>Estimated total cost</b>	<b>Incurred/accrued to date</b>
		<b>£</b>	<b>£</b>
Statutory advertising	Category 1	210.00	140.00
Printing	Category 2	120.00	459.60
Postage	Category 1	100.00	409.29
Bonding	Category 1	900.00	900.00
Domain renewal	Category 1	-	470.86
Court fee	Category 1	-	50.00
<b>Total</b>		<b>1,330.00</b>	<b>2,379.75</b>

During the Administration and as discussed in this report, I have instructed professional advisors and agents to provide ongoing legal advice regarding the realisation of the Company's assets, independent agents to value and sell the remaining stock and expert tax advice to review the Company's pre-appointment VAT position. The fees paid to date are detailed in my receipts and payments account and the table below shows fees incurred and accrued against the original estimate.

	<b>Fee arrangement</b>	<b>Estimated total cost</b>	<b>Fees incurred/accrued to date</b>
		<b>£</b>	<b>£</b>
Agents' fees – Key Appraisal Ltd	Fixed fee	1,000	1,816
Professional fees – Adler Shine LLP	Fixed fee	-	3,000
Legal fees – Phi Legal	Time costs/Fixed fee	2,175	3,850
Legal fees – Isadore Goldman	Time costs	unknown	Dependent on litigation

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of this assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances.

The expenses incurred have exceeded details previously given to creditors. This is due to the cost of sending the Court Orders to all known creditors, which was in excess of 750 creditors at that time. In addition, I was required to renew the domain for the Company's website to ensure creditors could have continued access to my reports. As discussed earlier in this report, I engaged the services of a tax expert to review the Company's pre appointment VAT position, which had not been foreseen at the outset of my appointment.

Due to the nature of legal proceedings, I was unable to estimate the level of legal fees that would be incurred during the Administration. Isadore Goldman are acting on my behalf in the outstanding legal matters and have current time costs of £11,750 plus VAT. No legal fees have been paid to date and until a decision has been made regarding the appropriate course of action to take, it is not possible to estimate the total fees that will be agreed and paid. I will take into account the work undertaken and the level of recoveries received when agreeing the final position.

Please note that under rule 2.48 of the Rules any secured creditor, or unsecured creditor with concurrence of at least 5% in value of the total unsecured creditors, may request further information in respect of the Administrators' remuneration and expenses. This must be sent in writing to the Administrators within 21 days of receipt of this progress report.

Furthermore, any secured creditor, or unsecured creditor with at least 10% in value of the total unsecured creditors, is entitled to challenge the remuneration and expenses under rule 2.109 of the Rules. Any challenge must be brought within 8 weeks of receipt of this progress report.

## **COMPLETION OF THE ADMINISTRATION**

The Administration will remain open until all outstanding matters have been finalised, being the ongoing investigation into the cancellation of the event. Once completed the Joint Administrators shall conclude the Administration pursuant to Paragraph 84 of Schedule B1 of The Insolvency Act 1986, by moving to a Creditors' Voluntary Liquidation in the event that a dividend is available to creditors. In accordance with Paragraph 83(1) of Schedule B1 of The Insolvency Act 1986 it has been proposed that Andrew Pear and I are appointed Joint Liquidators.

Alternatively, in the event that there are insufficient funds to make a distribution to creditors, the Administration shall conclude by moving from Administration to dissolution.

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

## **PROVISION OF SERVICES REGULATIONS**

In accordance with the disclosure requirements of the Provision of Services Regulations 2009, our insolvency partners, directors and consultants are recorded on the register of insolvency practitioners.

Our professional indemnity insurer is Markel International Insurance Company Limited, 49 Leadenhall Street, London EC3A 2EA. The territorial coverage is worldwide, excluding professional business carried out from an office in the United States of America or Canada and excludes any action for a claim brought in any court in the United States of America or Canada.

## **COMPLAINTS PROCEDURE**

BM Advisory strives to provide a first class service to all of its clients and we are committed to a process of continuous improvement. As such should you have any comments or complaints regarding this matter you should contact me in the first place at the address on the front of this letter.

Should you consider that we have not dealt with your comments appropriately you may request we perform an internal independent review of your complaint. This review would be undertaken by a person within BM Advisory not involved in the assignment and would be co-ordinated by the Complaints Partner, Paul Ashton, who is contactable at this office.

If you do not receive a satisfactory response then you may be able to make a complaint to my regulatory body, via the complaints Gateway operated by The Insolvency Service. The contact details for the Gateway are by email [insolvency.enquiryline@insolvency.gsi.gov.uk](mailto:insolvency.enquiryline@insolvency.gsi.gov.uk), by phone 0300 678 0015 (call charges apply) or by post at The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA. To make an online submission or for further information please visit <https://www.gov.uk/complain-about-insolvency-practitioner>.

## **FURTHER INFORMATION**

Information can also be found at [www.creditorinsolvencyguide.co.uk](http://www.creditorinsolvencyguide.co.uk) which is designed to provide creditors with a step by step guide to the insolvency process.

Should you require any further information, please do not hesitate to contact this office on [oktoberfestukltd@bm-advisory.com](mailto:oktoberfestukltd@bm-advisory.com).

Yours faithfully

**For and on behalf of  
OktoberFest UK Ltd**

**Michael Solomons**  
Joint Administrator

The Insolvency Act 1986

# Administrator's progress report

Name of Company OktoberFest UK Ltd	Company number 09507842
In the High Court of Justice, Companies Court [full name of court]	Court case number 9092 of 2015

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

I/We (a) Michael Solomons and Andrew Pear  
 of BM Advisory, 82 St John Street, London EC1M 4JN

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

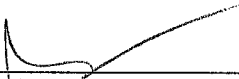
from

to

(b) 23 November 2015

(b) 22 May 2016

(b) Insert dates

Signed   
 Michael Solomons

Dated 13/12/16

### 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

Julie Thatcher	
BM Advisory	
82 St John St, London EC1M 4JN	Tel: 020 7549 8050
DX Number	DX Exchange

Companies House receipt date barcode

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

**APPENDIX I**



## OKTOBERFEST UK LIMITED – IN ADMINISTRATION

### STATUTORY INFORMATION

#### Company information

Company Number	09507842
Previous name	N/A
Date of Incorporation	25 March 2015
Principal trading activity	Events
Trading name	OktoberFest UK
Trading Address	A1 Golf Driving Range Rowley Lane Arkley EN5 3HW
Registered Office	c/o BM Advisory 82 St John Street London EC1M 4JN
Former Registered Office	A1 Golf Driving Range Rowley Lane Arkley EN5 3HW
Directors	The directors of the Company over the last 3 years are detailed below:  Timo Schmidt                      25 March 2015 to date Margaret Ryan                      25 March 2015 to date
Company Secretary	None appointed
Related entities	None

#### Share Capital

The Company's authorised share capital consists of 100 ordinary shares with a nominal value of £1 each.

Peaches Invest Limited	70 Ordinary Shares
All Event Solutions Limited	30 Ordinary Shares

#### Registered charges

None

#### Appointment details

Date of appointment	23 November 2015
Appointment made by	the directors
Court name	High Court of Justice, Chancery Division, Companies Court
Court reference	9092 of 2015
Joint Administrators	Michael Solomons Andrew Pear

## APPENDIX II

**Oktoberfest UK Ltd  
(In Administration)  
Joint Administrators' Abstract of Receipts & Payments  
To 22/05/2016**

S of A £		£	£
	<b>ASSET REALISATIONS</b>		
19,282.00	Stock	5,001.00	
147,968.00	Prepayments	NIL	
1,119,960.00	Legal claim	NIL	
	Pre appointment VAT refund	14,163.06	
135,000.00	Cash at Bank	135,642.14	
	Bank Interest Gross	121.60	
		<hr/>	154,927.80
	<b>COST OF REALISATIONS</b>		
	Administrators' fees	30,000.00	
	Administrators' expenses	1,222.18	
	Administrators' Pre-appointment fees	625.00	
	Professional fees	3,000.00	
	Agents fees	1,816.13	
	Legal fees	3,850.00	
	Legal expenses (non taxable)	50.00	
		<hr/>	(40,563.31)
	<b>UNSECURED CREDITORS</b>		
(236,862.00)	Trade suppliers	NIL	
(874,034.00)	Ticketholders	NIL	
(6,051.00)	HM Revenue & Customs	NIL	
		<hr/>	NIL
	<b>DISTRIBUTIONS</b>		
(100.00)	Ordinary Shareholders	NIL	
		<hr/>	NIL
<b>305,163.00</b>			<hr/> <b>114,364.49</b> <hr/>
	<b>REPRESENTED BY</b>		
	Vat Receivable		756.50
	Estate bank account - interest bearing		114,608.19
	Vat Payable		(1,000.20)
			<hr/> <b>114,364.49</b> <hr/>

**APPENDIX III**

**PROOF OF DEBT - GENERAL FORM**

**OKTOBERFEST UK LTD - IN ADMINISTRATION**

Date of Administration: 23 November 2015

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 of Administration.	£
4.	Details of any document by reference to which the debt can be substantiated. (Note: There is no need to attach them now but they may be called on to substantiate the claim at the Administrators' discretion, as may the chairman or convenor of any meeting.)	
5.	If the total amount shown above includes Value Added Tax, please show:-  (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6.	If total amount above includes outstanding uncapitalised interest please state amount	£
7.	Particulars of how and when debt incurred. (If you need more space please append a continuation sheet to this form.)	
8.	Particulars of any security held, the value of the security, and the date it was given	
9.	Particulars of any retention of title claimed in respect of goods supplied to which the claim relates.	
10.	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	
	Address of person signing (if different from 2 above)	

## APPENDIX IV

Task	ORIGINAL ESTIMATE			REPORTING PERIOD		
	Estimated time hrs	Estimated cost £	Average charge out rate £	Actual hours in period hrs	Actual costs in period £	Average charge out rate £
Administration and planning	25.50	7,022.50	275.39	27.70	9,498.00	342.89
Statutory compliance	46.60	11,050.50	237.14	55.20	16,995.50	307.89
Investigations	12.00	2,510.00	209.17	11.50	3,895.00	338.70
Asset realisations	56.90	21,639.00	380.30	35.70	13,244.00	370.98
Creditors	101.50	22,545.00	222.12	142.50	39,352.50	276.16
<b>TOTAL</b>	<b>242.50</b>	<b>64,767.00</b>	<b>267.08</b>	<b>272.60</b>	<b>82,985.00</b>	<b>304.42</b>

A summary of the work undertaken in this reporting period is detailed below:

#### ADMINISTRATION AND PLANNING

Strategy & planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff.  
 Setting up physical/electronic case files.  
 Setting up the case on IPS and entering data.  
 Dealing with all routine correspondence and emails relating to the case.  
 Opening, maintaining and managing the office holder's estate bank account.  
 Creating, maintaining and managing the office holder's cashbook.  
 Undertaking regular bank reconciliations of the account containing estate funds.

#### STATUTORY COMPLIANCE

Issuing the statutory notifications to creditors and others as required on appointment, including gazetting the office holder's appointment.  
 Conduct statutory searches to identify company pension schemes.  
 Obtaining a specific penalty bond.  
 Reviewing the adequacy of the specific penalty bond on a quarterly basis.  
 Undertaking periodic reviews of the progress of the case.  
 Overseeing and controlling the work done.  
 Preparing, reviewing and issuing annual progress reports to creditors and members.  
 Filing returns at Companies House and/or Court (as applicable).  
 Preparing and filing VAT returns.  
 Preparing and filing Corporation Tax returns.

#### INVESTIGATIONS

Recovering the books and records for the case.  
 Listing the books and records recovered.  
 Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act.  
 Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.  
 Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors.

#### ASSET REALISATION

Arranging suitable insurance over assets.  
 Regularly monitoring the suitability and appropriateness of the insurance cover in place.  
 Corresponding with suppliers and attempting to collect outstanding prepayments.  
 Liaising with the bank regarding the closure of the account.  
 Instructing agents to value known assets.  
 Liaising with agents to realise known assets.  
 Instructing solicitors to review and assist with legal proceedings and recovery of assets.  
 Liaising with solicitors to progress legal proceedings as appropriate.

#### CREDITORS

Dealing with creditor correspondence, emails and telephone conversations regarding their claims.  
 Maintaining up to date creditor information on the case management system.

#### Notes:

- 'Administration and planning' represents the work involved in the routine administrative functions of the case. It does not give direct financial benefit to the creditors, but has to be undertaken to meet requirements and obligations under the insolvency legislation and the Statements of Insolvency Practice.
- 'Statutory Compliance' represents the work involved in the statutory functions of the case, together with the necessary control and supervision by senior staff. It does not give direct financial benefit to the creditors, but has to be undertaken to meet requirements and obligations under the insolvency legislation and the Statements of Insolvency Practice.
- 'Investigations' represents the work required to undertake an initial investigation to determine whether there are potential recovery actions for the benefit of creditors. If potential recoveries or matters are identified that require further investigation, additional time costs will be incurred to investigate them in detail and to bring recovery actions where necessary. If further fee approval is required, creditors will be provided with additional information as necessary and asked to approve the fee request. The office holder is also required by legislation to report to the Department for Business, Innovation and Skills on the conduct of the directors and the work to enable them to comply with this statutory obligations is of no direct benefit to the creditors, although it may identify potential recovery actions.
- 'Asset realisations' represents the work required to be undertaken to realise the known assets in the case, for the estimated realisable values provided to creditors. Due to the uncertainty of the outcome of the Company's current legal claims it is possible that the Administrators will need to seek further fee approval in this regard.
- 'Creditors' represents the work required to deal with the various creditors of the Company. The claims of trade and expense creditors and ticketholders need to be maintained and recorded, together with the amounts of the claims to ensure notices and reports can be issued. All queries and correspondence will be dealt with as part of our statutory obligations. In order to pay a dividend the Administrators will move the Company to a Creditors' Voluntary Liquidation, however, all creditor claims must be adjudicated and agreed, which may involve additional information if further supporting information is required. Due to the large volume of ticketholders in this matter it is estimated that the Administrators will need to spend a significant amount of time dealing with all the claims and correspondence received.

## BM ADVISORY

### STATEMENT OF POLICY ON FEES IN INSOLVENCY PROCEEDINGS

#### Introduction

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

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

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

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

#### Policy on fees

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

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

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

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

For further information on the manner in which an Office Holder's fees may be fixed, please refer to the guidance notes in relation to fees at [www.r3.org.uk/index.cfm?page=1591](http://www.r3.org.uk/index.cfm?page=1591).

#### Disbursements

Disbursements are categorised as either Category 1 or Category 2

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

Category 2 expenses are incurred by BM Advisory and recharged to the case; they are not attributed to the case by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the case, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of Category 2 disbursements are photocopying, internal room hire and internal storage.

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

Meeting room hire	Up to £200
Creditor portal (operated within BM Advisory website)	£10 (per report)
Postage	£0.51 - £2.25
Mileage (per mile)	£0.45
Photocopies (per sheet)	£0.15
Storage (per box per month)	£0.35

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