

WU07

Notice of progress report in a winding-up by the court



Companies House

THURSDAY



A14 01/03/2018 #216
COMPANIES HOUSE

ise

se

1 Company details

Company number 0 0 5 2 7 1 8 6

Company name in full Worthington Group Plc

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

2 Liquidator's name

Full forename(s) Irvin

Surname Cohen

3 Liquidator's address

Building name/number 31st Floor

Street 40 Bank Street

Post town London

County/Region

Postcode E 1 4 5 N R

Country

4 Liquidator's name

Full forename(s) Mark Robert

Surname Fry

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

5 Liquidator's address

Building name/number 31st Floor

Street 40 Bank Street

Post town London

County/Region

Postcode E 1 4 5 N R

Country

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

WU07

Notice of progress report in a winding-up by the court

6 Period of progress report

From date	^d 0	^d 4	^m 0	^m 1	^y 2	^y 0	^y 1	^y 7
To date	^d 0	^d 3	^m 0	^m 1	^y 2	^y 0	^y 1	^y 8

7 Progress report

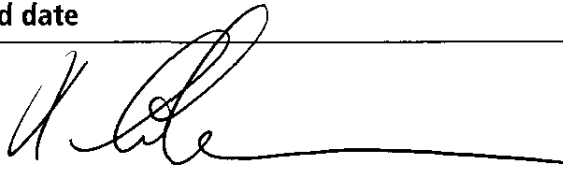
☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date	^d 2	^d 8	^m 0	^m 2	^y 2	^y 0	^y 1	^y 8
----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

WU07

Notice of progress report in a winding-up by the court



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	Irvin Cohen
Company name	Begbies Traynor (London) LLP
Address	31st Floor 40 Bank Street
Post town	London
County/Region	
Postcode	E 1 4 5 N R
Country	
DX	
Telephone	020 7516 1500



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Worthington Group Plc
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 04/01/2017 To 03/01/2018 £	From 04/01/2017 To 03/01/2018 £
ASSET REALISATIONS		
Freehold Property - Old Boiler House	NIL	NIL
Leasehold Property - Rent	NIL	NIL
Wayleave Receipt	50.00	50.00
Book Debts	NIL	NIL
Subsidiary - Group	NIL	NIL
Subsidiary - Sevco	NIL	NIL
Cash at Bank	2,039.92	2,039.92
Rent	2,040.00	2,040.00
Petitioner's Deposit	1,600.00	1,600.00
	<u>5,729.92</u>	<u>5,729.92</u>
COST OF REALISATIONS		
Official Receiver's Fees	11,000.00	11,000.00
Bank Charges	88.00	88.00
	<u>(11,088.00)</u>	<u>(11,088.00)</u>
	<u>(5,358.08)</u>	<u>(5,358.08)</u>

REPRESENTED BY
ISA (Interest Bearing)

(5,358.08)

(5,358.08)



Irvin Cohen
Joint Liquidator

**Worthington Group Plc
(In Compulsory Liquidation)**

High Court of Justice No. 005275 of 2016

Progress report

Period: 4 January 2017 to 3 January 2018

Important Notice

This progress report has been produced solely to comply with the Liquidators' statutory duty to report to creditors and members of the Company on the progress of the liquidation. 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 and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

Contents

- ❑ Interpretation
- ❑ Company information
- ❑ Details of appointment of Liquidators
- ❑ Progress during the period covered by this report
- ❑ Estimated outcome for creditors
- ❑ Remuneration and disbursements
- ❑ Liquidators' expenses
- ❑ Assets that remain to be realised and work that remains to be done
- ❑ Other relevant information
- ❑ Creditors' rights
- ❑ Seeking decisions of creditors
- ❑ Conclusion
- ❑ Appendices
 - 1. Abstract of Receipts and Payments
 - 2. Time costs and disbursements
 - a) Begbies Traynor's Charging Policy;
 - b) Time Costs Analysis for the period from 4 January 2017 to 3 January 2018; and
 - c) Fees estimate.
 - 3. Details of the expenses that the Liquidators consider will be, or are likely to be, incurred.
 - 4. Statement of expenses incurred

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Worthington Group Plc (In Compulsory Liquidation)
"the Liquidation"	The appointment of Liquidators by the Secretary of State, pursuant to Section 137 of the Act on 4 January 2017
"the Liquidators" and "their"	Irvin Milton Cohen and Mark Robert Fry of Begbies Traynor (London) LLP, 31st Floor, 40 Bank Street, London, E14 5NR
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the Company who holds in respect of his debt a security over property of the Company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Trading name(s):	Worthington Group Plc
Company registered number:	00527186
Company registered office:	31st Floor, 40 Bank Street, London, E14 5NR
Former trading address:	30 Great Guildford Street, London, SE1 0HS

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	21 November 2016
Date of Liquidators' appointment:	4 January 2017
Changes in Liquidator (if any):	N/A

4. PROGRESS DURING THE PERIOD COVERED BY THIS REPORT

Receipts and Payments

Attached at Appendix 1 is the Liquidators' Abstract of Receipts and Payments for the period from 4 January 2017 to 3 January 2018.

Receipts

Wayleave Receipt

A payment of £50 was received from Northern Electric relating to property owned by the Company.

Cash at Bank

The Company's bankers remitted a credit balance of £2,039 to the Liquidators, which represented the cash balance held on liquidation.

Rent

During the period of this report, rental income has been received in relation to property owned by the Company known as The Old Boiler House; see realisation of assets section below. The current tenant pays rent quarterly in the sum of £510. Further information regarding this property can be found below under 'Realisation of Assets'.

Petitioner's Deposit

£1,600 is recorded as a receipt into the estate, which relates to the cost of petitioning the Court for the Company to be wound up. This is ordinarily repaid to the petitioning creditor, subject to sufficient realisations to enable this.

Payments

Official Receiver's fees

The Official Receiver has debited the estate in the sum of £11,000. This represents a levy in respect of the Official Receiver's costs.

Bank charges

Four quarterly fees totalling £88 have been deducted by the Insolvency Service in relation to their charges for operating the estate bank account.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on the Liquidators' firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings the Liquidators have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but the Liquidators have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2.

General case administration and planning

During the period of this report, the Liquidators have ensured that their files are maintained and regular case reviews are carried out, including reviewing the case strategy to ensure that matters are being progressed in an efficient and timely manner.

This work has been of benefit to creditors as the Administrators must maintain records so as to evidence the effective progression of the Administration. This work also demonstrates how the case was administered and documents for the benefit of creditors the reasons for decisions that materially affect the case.

Compliance with the Insolvency Act, Rules and best practice

On appointment the Liquidators advertised their appointment in the London Gazette and wrote to all known creditors as well as liaising with other interested parties. The Liquidators have continued to ensure that the case is adequately bonded and regular bank reconciliations are carried out.

Investigations

During the period of this report, the Liquidators have completed standard investigations involving the following activities:

- Collecting in and reviewing of electronic data and Company emails;
- Liaising with the Insolvency Service and the Official Receiver;
- Attending interviews of the Company directors to understand the asset position and the running of the Company in the period prior to liquidation;
- Investigating the Company's subsidiary interests; and
- Liaising with regulatory bodies.

Should there be any Rights of Action stemming from this and any further investigation, creditors may benefit financially although creditors are referred to section 8 and section 9 for the Liquidators' current assessment of the likely return to the Company's Creditors.

Realisation of assets

Cash at Bank

The Liquidators have liaised with HSBC Bank plc and have received the credit balance held in the Company's account on appointment.

The Old Boiler House ("OBH")

OBH is a single storey steel framed building in Eccleshill, Bradford. It is currently occupied by a tenant who uses this as a storage facility. Due to the lack of services to the premises, including neither electricity nor water, the rental amount is a nominal annual fee of £2,040.

In order to realise this asset the Liquidators have instructed Eddisons Commercial Limited ("Eddisons"), which is part of the Begbies Traynor group, to market the property for sale by way of private treaty, which is ongoing.

During the period of this report the Liquidators have collected rental payments for the Old Boiler House, and notice has now been given to the tenant to vacate the premises in order to provide any purchaser with vacant possession.

Ongoing debtor realisations

On appointment the Directors confirmed that the Company had the benefit of book debts totalling approximately £350,000. The Liquidators wrote to all debtors and have subsequently engaged Irwin Mitchell, a firm of solicitors with experience in debt recovery matters, to pursue recovery of the debts due to the Company.

Irwin Mitchell have reviewed the principal debts that appeared to be recoverable and taken steps to enforce repayment. To date there have been no realisations in this regard and both the Liquidators and Irwin Mitchell are considering what further steps to take for the benefit of the estate's creditors.

Subsidiary claims

On appointment the Directors notified the Liquidators of potential assets in the estate in the form of various claims against third parties. Prior to the Company's insolvency it was intended that the subsidiaries (who held these claims) would pursue them for the benefit of the Company. These claims are held by The Rangers FC Group Limited ("Group") and Sevco 5088 Limited ("Sevco"), which in turn are owned by Law Financial Limited ("LFL"). LFL is 100% owned by the Company and both Group and Sevco are majority owned by LFL.

The Liquidators have spent considerable time investigating the claims held in the Company's subsidiaries to determine whether there is any economic value in the progression of these claims that might benefit the estate. To this end, and with the agreement of the liquidators and the incumbent directors of LFL, Group and Sevco, litigation specialist, Henderson & Jones Limited ("H&J"), have been appointed as corporate directors to LFL, Rangers and Sevco, pursuant to a directorship agreement, with a remit of further determining and progressing those claims where practicable to do so.

H&J's work is ongoing in this regard, and it is hoped that further information can be provided in future reports.

Dealing with all creditors' claims (including employees), correspondence and distributions

As the Company was previously listed on the London Stock Exchange, the Liquidators have received a substantial volume of correspondence from shareholders, their brokers and other interested parties. The Liquidators have responded to these queries in a timely manner and provided details regarding the value of any shares. For the avoidance of doubt and as matters stand, shares held in the Company are considered worthless. The Liquidators have also responded to all creditor queries and retained all claims on file.

It is of benefit to the shareholders and creditors that the liquidators respond to their correspondence as it allows them to be kept abreast of developments and in particular for shareholders to manage their holdings in the Company.

Other matters which includes seeking decisions of creditors via the deemed consent procedure and/or decision procedures, tax, litigation, pensions and travel

The Liquidators have liaised with HM Revenue & Customs regarding their appointment and to deregister the Company for the purposes of Value Added Tax ("VAT"). The Liquidators have also reviewed the position of VAT payable on the rental income. The Liquidators have submitted relevant notices to the Pensions Regulator, the Pension Protection Fund ("PPF") and the Pension Trustees as required under the current regulations.

5. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (based upon the information detailed in the statement of assets and liabilities submitted by the Directors to the Official Receiver) are as follows:

Secured creditor

Renatus Capital (In Liquidation) ("Renatus") holds a debenture incorporating fixed and floating charges as security dated 28 January 2013 which is registered against the Company at Companies House. Renatus was subsequently placed into compulsory liquidation on 30 October 2017. Both the validity of Renatus's claim and its security will be investigated further should there be sufficient realisations available in the estate to consider a distribution to creditors.

Preferential creditors

There are no known preferential creditors.

Unsecured creditors

The directors have estimated unsecured creditors at £12,860,750, of which the Pension Protection Fund are owed approximately £12,000,000, claims have not yet been adjudicated upon. Claims will be adjudicated upon should there become sufficient funds in the estate to enable a distribution to creditors.

Based upon realisations to date and estimated future realisations, it is anticipated there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

The Liquidators will not be making a distribution with the Prescribed Part as the estimate of the Company's net property is less than the minimum prescribed by the Insolvency Act 1986 (Prescribed Part) Order 2003.

6. REMUNERATION AND DISBURSEMENTS

Remuneration

The Liquidators have not at this time drawn any funds on account of their remuneration, nor on account of the Liquidators' disbursements. The Liquidators are required to obtain approval to their remuneration within 18 months of their appointment. Given the current uncertainty surrounding the validity of the Renatus security and whether they are owed anything, the Liquidators are also seeking approval of their remuneration by decisions of creditors via decision procedure, that the Liquidators' remuneration be fixed by reference to the time properly given by the Liquidators (as liquidators) and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor (London) LLP in attending to matters arising in the winding up as set out in the fees estimate which appears at Appendix 2.

The Liquidators' time costs for the period from 4 January 2017 to 3 January 2018 amount to £76,196 which represents 249 hours at an average rate of £306 per hour. For the avoidance of doubt, this time is included in the fees estimate, so that the estimate covers all of the work that the Liquidators have done so far as well as the work that the Liquidators propose to do to through to conclusion of the liquidation.

To assist creditors in determining whether to approve this basis of remuneration and the Liquidators' fees estimate, as well as the Liquidators' expenses, in addition to the information set out in section 4 above the following further information is set out at Appendix 2:

- ☐ Begbies Traynor's Charging Policy;
- ☐ Time Costs Analysis for the period 4 January 2017 to 3 January 2018; and
- ☐ Fees estimate.

Disbursements

To 3 January 2018, the Liquidators have not drawn any disbursements.

The Liquidators are seeking approval to draw disbursements for services provided by their firm and/or entities within the Begbies Traynor group, in accordance with the Liquidators' firm's policy.

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been incurred are provided in the narrative summary of time costs which is set out at Appendix 2.

If you wish to know more about how creditors should determine the Liquidators' fees, a copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2015' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact the Liquidators' office and they will arrange to send you a copy.

7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3. For the avoidance of doubt the expenses detailed in the estimate include those already incurred.

8. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

The Liquidators will continue to ensure that their files are maintained and carry out regular compliance reviews of the case in order to ensure that matters are being progressed in a timely manner.

As detailed above, it is necessary to carry out the above work as the Liquidators are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Act and Rules require the Liquidators to produce annual progress reports and to produce a final report at the conclusion of the liquidation. All such documents must be filed with the Registrar of Companies. The Liquidators are required to ensure that the case is adequately bonded.

Investigations

You may be aware that the Liquidators have a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. The Liquidators are still investigating the Company's affairs and matters at this stage remain confidential.

Realisation of assets

Old Boiler House

Eddisons have received an indication that an offer for the premises may be made in due course; however no formal offers have been received to date.

The Liquidators will continue to liaise with the tenant and Eddisons.

Book Debts

As detailed previously, the Liquidators and Irwin Mitchell will continue to progress recovery of the book debts.

Subsidiary claims

H&J's work is ongoing in this regard. It is hoped that further information can be provided in future reports.

Dealing with all creditors' claims, correspondence and distributions

The Liquidators will continue to respond to all shareholder and creditor queries, and retain all proofs of debt/claims on file.

The above work is not of direct financial benefit to creditors, but it is a statutory requirement the Liquidators must adhere to and is of benefit to creditors generally, as it ensures that they are advised of matters arising and progress within the Liquidation.

Other matters which includes seeking decisions of creditors via deemed consent procedure and/or decision procedures, tax, litigation, pensions and travel

The Liquidators will complete and submit VAT reclaims and corporation tax returns where required. The Liquidators are seeking approval to their remuneration as part of this report which may require further work in due course.

The Jerome Pension Fund is currently in the PPF's assessment period, a process that schemes go through before entering the PPF. The transfer process may necessitate further correspondence with the PPF in due course.

How much will this further work cost?

As the Liquidators are seeking that their remuneration be fixed on a time costs basis they are obliged to send creditors a fees estimate which (amongst other things) provides details of the work that the Liquidators propose their staff will undertake to administer the case and the time that the Liquidators anticipate that each part of the work will take. This appears at Appendix 3 and it includes the time stated in the time costs analysis. It is anticipated that future costs will be £96,850.

Expenses

Details of the expenses the Liquidators expect to incur in connection with the work that remains to be done, is detailed at Appendix 4.

9. OTHER RELEVANT INFORMATION

Petitioning Creditor Costs

The Trustees for the JPF petitioned for the Company to be wound up. The petitioning creditor incurred legal costs in this regard as the petition was contested before finally being granted. These costs are recoverable by the petitioning creditor from the estate, subject to sufficient realisations to enable a payment.

The petitioning creditor's costs have not yet been formally lodged in the estate, but when received will be assessed and will rank as an expense of the liquidation and ahead of any distribution to unsecured creditors.

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that the Liquidators provide further information about their remuneration or expenses which have been incurred during the period of this progress report.

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, in relation to the basis fixed for the Liquidators remuneration, inappropriate.

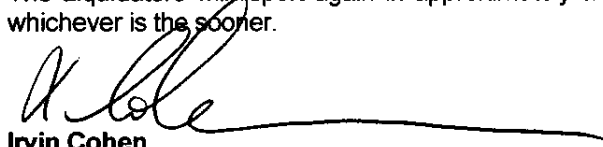
11. SEEKING DECISIONS OF CREDITORS

The Liquidators are required to seek the approval of creditors to the basis of their remuneration for acting as liquidators and the charging of category 2 disbursements. The Liquidators intend to seek the decisions in relation to the approval of their remuneration via a Decision Procedure by correspondence and a notice providing further information about the decisions being sought is being sent to creditors along with notice of this report.

Should any creditor require further explanation of matters contained within the report, they should contact the Liquidators' office and speak in the first instance to the case manager, Brian Simpson, who will be pleased to assist.

12. CONCLUSION

The Liquidators will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner.

A handwritten signature in black ink, appearing to read 'I. Cohen', followed by a long horizontal line extending to the right.

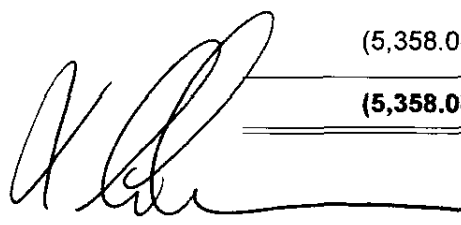
Irvin Cohen
Joint Liquidator

Dated: 27 February 2018

ABSTRACT OF RECEIPTS AND PAYMENTS

Period: 4 January 2017 to 3 January 2018

**Worthington Group Plc
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments
To 04/01/2018**

S of A £	£	£
ASSET REALISATIONS		
Wayleave Receipt	50.00	
Cash at Bank	2,039.92	
Rent	2,040.00	
Petitioner's Deposit	1,600.00	
		5,729.92
COST OF REALISATIONS		
Official Receiver's Fees	11,000.00	
Bank Charges	88.00	
		(11,088.00)
		(5,358.08)
REPRESENTED BY		
ISA (Interest Bearing)		(5,358.08)
		(5,358.08)
		
	Irvin Cohen	
	Joint Liquidator	

TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor's charging policy;
- b. Time Costs Analysis for the period from 4 January 2017 to 3 January 2018; and
- c. Fees estimate

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance² indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. They will delegate tasks to members of staff. Such delegation assists the office holder as it allows them to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of London £150 per meeting;
- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates.

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.

Services provided by other entities within the Begbies Traynor group

The following items of expenditure which relate to services provided by entities within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval):

Instruction of Eddisons Commercial Limited, who provided a valuation of the Old Boiler House and are marketing the premises for sale. Eddisons estimate that their charges for providing the services will be £2,000 plus marketing costs, disbursements and VAT.

In addition to the services detailed above, it may become necessary to instruct Eddisons Commercial Limited to provide additional services, not currently anticipated, during the course of the case. In such circumstances and to avoid the costs associated with seeking further approval, the charges for such services will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows:

Grade of staff	Charge-out rate (£ per hour)
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

Instruction of Eddisons Insurance Services Limited ("EIS") to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The costs of insurance cover for subsequent quarter periods will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case.

In accordance with standard insurance industry practice, EIS will receive payment of commission for the services it provides from the insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

EIS will invoice the insolvent estate for the premium(s) due on the insurer's behalf and receive payment from the estate. EIS will in turn, account to the insurer for the premium(s) payable after deducting any commission payable by the insurer.

- (B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*:

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour)
Consultant/Partner	550 - 495
Director	395
Senior Manager	365
Manager	315
Assistant Manager	285
Senior Administrator	250
Administrator	220
Trainee Administrator	160
Support	160

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

IP Grade	Consultant/author	Director	Supr 45gr	Magr	Asst 34gr	Supr Admin	Admin	Jm Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and winding up	Case planning	2.4	3.1	4.2			11.3			21.0	6,563.50	312.55
	Administration	0.9	0.7	3.6			25.9	3.2	2.7	36.7	6,612.00	234.66
	Total for General Case Administration and winding up	3.3	3.8	7.8			36.9	3.2	2.7	67.7	18,175.50	268.61
	Appointment		2.9	7.6			12.1			22.6	6,561.50	291.22
	Banking and Bonding						1.8		4.0	5.8	1,036.00	178.82
	Case Closure										0.00	
	Statutory reporting and statement of affairs	1.1					1.2			2.3	608.50	351.92
	Total for Compliance with the Insolvency Act, Rules and best practice:	1.1	2.9	7.6			16.1		4.0	30.7	8,436.00	274.46
	Costs and investigations		8.2	15.4	1.0		14.2			40.2	12,808.00	318.61
	Total for Investigations:		9.2	16.4	1.0		14.2			40.2	12,808.00	318.61
Realisation of assets	Debt collection		10.6	4.5			5.0			20.1	6,929.50	344.75
	Property, business and asset sales		2.4	5.2			2.3			9.9	3,352.00	338.99
	Retention of Title/Third party assets										0.00	
	Total for Realisation of assets:		13.0	9.7			7.3			30.0	10,291.50	342.72
	Trading										0.00	
	Total for Trading:										0.00	
	Secured						0.5			0.5	110.00	220.00
	Others		1.4	2.9			7.1			11.5	3,202.00	278.43
	Creditors committee										0.00	
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:		1.4	2.9			7.6			12.0	3,312.00	276.00
Other matters which includes estate, tax, litigation, insolvency and travel	Seeking decisions of creditors including meetings	2.8	14.4	14.1			8.8	1.5		41.6	14,550.50	349.77
	Other			5.9			8.5			14.4	4,023.50	279.41
	Tax		0.1				1.5			1.6	365.50	230.94
	Litigation			19.8			0.1			19.9	7,248.00	364.27
	Total for Other matters:	2.8	14.8	39.8			10.9	1.8		77.9	26,192.00	337.37
	Total hours by staff grade:	7.2	44.8	83.2	1.0		100.0	4.7	8.7	248.1		
	Total time cost by staff grade:	3,859.00	17,896.00	30,385.00	315.00		22,000.00	752.00	1,072.00		76,185.50	
	Average hourly rate £:	534.72	395.00	365.00	315.00	0.00	220.00	160.00	160.00			307.12

THE LIQUIDATORS' FEES ESTIMATE

The Liquidators are seeking to be remunerated on a time costs basis. Details of their firm's hourly charge-out rates are set out in the charging policy which accompanies this estimate.

Prior to creditors determining the basis upon which the Liquidators are to be remunerated, the Liquidators are obliged to produce a fees estimate and to provide it to each creditor of whose details they are aware so that it can be approved at the same time as the basis of the Liquidators remuneration.

The Liquidators' fees estimate for the liquidation is set out below.

Details of the work that the liquidators and their staff propose to undertake	Hours	Time cost £	Average hourly rate £
General case administration and planning	110.4	31,610.00	286.32
Compliance with the Insolvency Act, Rules and best practice	73.9	22,550.00	305.14
Investigations	98.0	31,509.00	321.52
Realisation of assets	75.0	24,906.50	332.08
Trading	-	-	-
Dealing with all creditors' claims, correspondence and distributions	60.1	20,267.50	337.23
Other matters which includes seeking decisions of creditors via the deemed consent procedure and/or decision procedures, tax, litigation, pensions and travel	128.7	42,202.50	327.91
Total hours	546.1		
Total time costs		173,045.50	
Overall average hourly rate £			316.88

Although the fees estimate indicates that the total time costs for this matter will be £173,045.50, the Liquidators are aware that there are limited assets to realise and so the time costs that the Liquidators will be able to draw will be limited to the amount that is realised for the assets. However, please note that should there be unexpected asset realisations the Liquidators will look to draw their fees from those too.

Should creditors require further information on how this estimate has been produced this can be obtained from our website at <http://www.begbies-traynorgroup.com/fee-estimates>.

A more detailed explanation of the work that falls into the categories mentioned in the table above can be obtained from <http://www.begbies-traynorgroup.com/work-details>.

Dated: 27 February 2018

DETAILS OF THE EXPENSES THAT THE LIQUIDATORS CONSIDER WILL BE, OR ARE LIKELY TO BE, INCURRED

	Type of expense	Description	Estimate £
1.	Advertisements	Of appointment, dividends etc.	84.60
2.	Bond	The Liquidators are required to have a bond in place to protect the estate from misappropriation of funds.	864.00
3.	Insurance	The Liquidators are required to ensure that there is sufficient insurance cover over the assets of the insolvent entity.	500.00
4.	Storage costs	The Liquidators are required to retain relevant books and records of the insolvent entity in order to carry out his/her duties as office holder. In addition, following case closure the Insolvency Practitioner will retain his/her working papers to allow any queries or issues raised to be dealt with.	500.00
5.	Property agent's valuation and sale fees and disbursements	The fixed fee of the agents, who are instructed to sell the OBH.	2,000.00
6.	Legal fees and disbursements	The fees of any solicitors instructed to assist the Liquidators and their anticipated disbursements.	15,000.00
7.	Debt collection fees and disbursements	The fees of any third party instructed by the Liquidators to assist with the collection of the debts of the insolvent entity and their anticipated disbursements.	5,000.00
8.	Bank charges	The Liquidators are required to operate a separate bank account in relation to the insolvent entity's estate.	264.00
9.	Travel	The Liquidators have incurred travel costs since the date of appointment and will continue to do so in order to attend any physical meetings held.	500.00
10.	Insolvency Services Account Quarterly fee	In a compulsory liquidation the Liquidators are required by statute to hold all of the estate funds in an Insolvency Service Account.	792.00
11.	Insolvency Service cheque fees	The Liquidators are obliged to use the Insolvency Service Account and are required to pay a cheque fee when monies are paid out of the account by cheque.	50.00

12.	Official Receiver's fees	Where the Liquidators are appointed in a bankruptcy or compulsory liquidation two fees are payable to the Official Receiver by the office holder from asset realisations. These are the Official Receiver's administration fee and the Official Receiver's general fee. The Liquidators are required by law to pay these to the Insolvency Service.	11,000.00
-----	--------------------------	---	-----------

STATEMENT OF EXPENSES INCURRED

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Land Registry	HM Land Registry	9.00	-	9.00
Postage	Royal Mail	27.83	-	27.83
Bond	Insolvency Risk Services	864.00	-	864.00
Statutory Advertising	Courts Advertising	84.60	-	84.60
Travel	Transport of London	25.10	-	25.10
Storage	Archive Solutions	18.00	-	18.00
Overseas conference calls	EE	9.47	-	9.47
Storage device	Robert Dyas	16.66	-	16.66
Total		1,054.66		1,054.66