In accordance with Rule 18.8 of the Insolvency (England & Wales) Rules 2016.

WU07

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

Companies House

FRIDAY

A8ØCN51E
A08 01/03/2019 #337
COMPANIES HOUSE

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 ❶

Full forename(s)	Mark Robert
Surname	Fry

❶ **Other liquidator**
Use this section to tell us about another liquidator.

5 Liquidator's address ❷

Building name/number	31st Floor
Street	40 Bank Street
Post town	London
County/Region	
Postcode	E 1 4 5 N R
Country	

❷ **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 8
To date	d 0 d 3	m 0 m 1	y 2 y 0 y 1 y 9

7 Progress report

☑ The progress report is attached

8 Sign and date

Liquidator's signature	Signature X	X
Signature date	d 2 d 7	m 0 m 2 y 2 y 0 y 1 y 9

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: Megan Campbell

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

XWUC1202P

Begbies Traynor

Worthington Group Plc
(In Compulsory Liquidation)

High Court of Justice No. 005275 of 2016

Progress report

Period: 4 January 2018 to 3 January 2019

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
- Conclusion
- Appendices
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        - Time Costs Analysis for the period from 4 January 2018 to 3 January 2019; and
        - Cumulative Time Costs Analysis for the period 4 January 2017 to 3 January 2019.
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1. INTERPRETATION

Expression	Meaning
"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", "they" and "their"	Irvin 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 of winding up order:	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

This is the Liquidators' second progress report and should be read in conjunction with the Liquidators' previous progress report.

Receipts and Payments

Attached at Appendix 1 is the Liquidators' Abstract of Receipts and Payments for the period from 4 January 2018 to 3 January 2019.

Receipts

Freehold property

As detailed in the Liquidators' previous report, the Company owned a freehold property known as the Old Boiler House ("the Property"). During the period of this report, the Liquidators have sold the Property to an unconnected third party for £75,000. Further details can be found in Realisation of Assets and sections 6 and eight.

Rent

Prior to the sale of the Property, the Property was leased to a tenant, as detailed in the Liquidators' previous report. During the period of this report, the tenant made a payment of £510 for the final quarter of their tenancy.

Bank interest gross

A nominal amount of £47 has been earned from the Company's bank account in respect of bank interest.

Payments

Agent's fees & disbursements

Eddisons Commercial were paid £2,000 plus VAT in respect of their fees for marketing the Property for sale and subsequently negotiating the sale of the Property. Eddisons were also paid £650 plus Vat in respect of their disbursements incurred.

Legal fees

The Liquidators instructed solicitors, Veale Wasborough Vizards LLP, to assist with the sale of the Property. The Liquidators paid £1,500 plus VAT and disbursements of £58 plus VAT.

ISA tax deductions

The sum of £9 has been deducted in respect of tax.

Bank charges

Three quarterly fees totalling £66 have been deducted by the Insolvency Service in relation to 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 they 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. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of the Liquidators' appointment. The details below relate to the work undertaken in the period of the report only. The Liquidators' previous report contains details of the work undertaken since their appointment.

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.

Whilst the above is not of direct financial benefit to creditors, 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 Liquidators have continued to ensure that the case is adequately bonded and regular bank reconciliations are carried out. The Liquidators have produced and circulated their annual progress report to creditors and filed it at the Registrar of Companies. The Liquidators have also sought and obtained fee approval from the unsecured creditors.

Investigations

As detailed in the Liquidators' previous report, the Liquidators are still investigating the Company's affairs and matters at this stage remain confidential.

Realisation of assets

Collecting rent

As detailed in the Liquidators' previous report, the Property was occupied by a tenant for the sum of £2,040 a year. Prior to the period of this report the tenant was served notice to enable vacant possession. During the period of this report the Liquidators have collected the final rental payment for the Property.

There will be no further realisations in this regard.

Sale of freehold property

As detailed in the Liquidators' previous report, Eddisons had received an indication of a formal offer. During the period of this report a formal offer was received in the sum of £75,000. The offer was accepted and the sale completed on 30 August 2018.

Subsidiary claims

The Liquidators are continuing to progress matters but due to reasons of confidentiality and commercial sensitivity the Liquidators are unable to provide any further information at this stage. It is anticipated that an update will be provided in future reports.

Debt assignment

The Liquidators have assigned all claims in relation to a significant debtor to litigation specialists, Henderson & Jones. This matter is ongoing.

Dealing with all creditors' claims, correspondence and distributions

Due to the nature of the business, the Liquidators have received substantial correspondence from the Company shareholders. The Liquidators have responded to these queries in a timely manner and provided details regarding the value of any shares. The Liquidators have also responded to all creditor queries and retained all claims on file.

Whilst this is not of direct financial benefit, it is a statutory requirement that the Liquidators must adhere to.

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 to confirm whether there is an option to tax on the Property. The Liquidators have also submitted VAT returns and corporation tax returns during the period.

The Liquidators have liaised with the Trustees of the Company pension scheme, PI Partnership Group, in relation to the agreement of their costs for petitioning to wind up the Company. These costs are payable as an expense of the liquidation.

The Liquidators have also liaised with the PPF regarding the approval of the Liquidators' remuneration. The PPF requested a reduction in the Liquidators' standard time costs by 20%, which the Liquidators have agreed to.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the Liquidators' progress report for the period 4 January 2017 to 3 January 2018.

6. REMUNERATION & DISBURSEMENTS

Remuneration

The Liquidators' remuneration has been fixed by a decision of creditors via a decision procedure by reference to the time properly given by the 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. The Liquidators are authorised to draw disbursements for services provided by their firm and/or entities within the Begbies Traynor group, in accordance with their firm's policy, details of which are contained in Appendix 2.

The Liquidators sought approval of their fee estimate of £173,046 on 23 March 2018; however, the majority creditor, the PPF, liaised with the Liquidators to seek a reduction in the Liquidators' standard charge out rates. The Liquidators agreed to reduce their standard charge out rates by 20% and the creditors approved the revised fee estimate of £138,436 dated 10 May 2018.

The Liquidators' time costs for the period from 4 January 2018 to 3 January 2019 amount to £25,914 which represents 93 hours at an average rate of £278 per hour.

The following further information in relation to the Liquidators' time costs and disbursements is set out at Appendix 2:

- Begbies Traynor's Charging Policy;
- Time Costs Analysis for the period 4 January 2018 to 3 January 2019; and
- Cumulative Time Costs Analysis for the period 4 January 2017 to 3 January 2019.

To 3 January 2019, the Liquidators have not drawn any fees on account of their remuneration. Total time costs of £93,072 have been incurred since the date of the Liquidators' appointment at the reduced charge-out rate.

Time Costs Analysis

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case, and gives the total costs and average hourly rate charged for each work type. An additional analysis is also attached which details the time costs for the entire period for which the Liquidators have administered the Liquidation.

Please note that each analysis provides details of the work undertaken by the Liquidators and their staff following the Liquidators' appointment only.

As this is the Liquidators' first progress report since the basis of their remuneration was fixed, the Liquidators are obliged to provide creditors with details of the costs incurred in the period since appointment and a description of the work undertaken for the period since the Liquidators' appointment.

The costs that were incurred from the date of the Liquidators' appointment to 4 January 2018 amount to £76,196. Details of the costs incurred during the period of this report are stated above.

The information provided in section 4 above relates to the work undertaken during the period of this report. The Liquidators have set out below details of the work undertaken prior to the period covered by this report so as to avoid any repetition:

General case administration and planning

The Liquidators ensured that their files were maintained and regular case reviews were carried out, including reviewing the case strategy to ensure that matters were being progressed in an efficient and timely manner.

This work was of benefit to creditors as the Liquidators must maintain records so as to evidence the effective progression of the Liquidation. This work also demonstrated 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 ensured that the case was adequately bonded and regular bank reconciliations were carried out.

Investigations
The Liquidators 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 of the Liquidators' previous report for the Liquidators' assessment of the likely return to the Company's creditors.

Realisation of assets

Cash at bank

The Liquidators liaised with HSBC Bank plc and 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 was 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 instructed Eddisons Commercial Limited ("Eddisons"), which is part of the Begbies Traynor group, to market the property for sale by way of private treaty.

The Liquidators have collected rental payments for the Old Boiler House, and notice was 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 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 reviewed the principal debts that appeared to be recoverable and took steps to enforce repayment. As at the first anniversary of the liquidation there had been no realisations in this regard and both the Liquidators and Irwin Mitchell were 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 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"), were 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 meetings, tax, litigation, pensions and travel

The Liquidators liaised with HM Revenue & Customs regarding their appointment and to deregister the Company for the purposes of Value Added Tax ("VAT"). The Liquidators 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.

In light of the above, the Liquidators are obliged to provide creditors with details of the additional work that they propose to undertake, this is detailed at section 8. As detailed above, the Liquidators have not exceeded the fee approval; however the Liquidators anticipate that they may need to seek further approval to increase their fees in due course. The Liquidators will revert to creditors if they believe this is necessary.

Disbursements

To 3 January 2019, the Liquidators have not drawn any disbursements.

Disbursements treated as Category 2 disbursements

Amounts paid to any party in which we or our firm or any associate has an interest:	
Type and purpose	**Amount £**
Eddisons Commercial Limited ("Eddisons") inspect the Old Boiler House and prepared marketing particulars, offering subsequently introducing the purchaser and negotiating the sale of the property.	2,650
TOTAL	2,650

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 Megan Campbell at the Liquidators' office who 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. A cumulative statement showing the total expenses incurred since the date of the Liquidators' appointment also appears at Appendix 3.

Expenses actually incurred compared to those that were anticipated

Creditors will recall that the Liquidators estimated that the expenses of the Liquidation would total £36,555. That estimate has not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged.

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.

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.

This is not of direct financial benefit to creditors.

Compliance with the Insolvency Act, Rules and best practice

The Liquidators will produce and circulate annual reports and in due course circulate a final report to creditors and file at Companies House. The Liquidators will also ensure that they are adequately bonded throughout the Liquidation.

Investigations

The Liquidators will continue to carry out their investigations into the Company's affairs. At this stage these remain confidential.

Realisation of assets

As detailed previously, the Liquidators will continue to progress matters but as detailed above, due to reasons of confidentiality and commercial sensitivity, the Liquidators are unable to provide any further information at this stage. It is anticipated that an update will be provided in future reports.

Dealing with all creditors' claims, correspondence and distributions

The Liquidators will continue to liaise with shareholders and deal with creditor queries. They will retain all proofs of debt/claims on file.

The above work is not of direct financial benefit to creditors, but 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 the deemed consent procedure and/or decision procedures,tax, litigation, pensions and travel

The Liquidators will complete and submit VAT reclaims and corporation tax returns when required. The Liquidators are yet to receive a response from HMRC regarding option to tax on the Property. The Liquidators will continue to liaise with HMRC to confirm the position.

The Liquidators will continue to liaise with the Trustees regarding the petitioning creditor costs.

How much will this further work cost?

At this stage the Liquidators anticipate that future costs will be £45,000.

Expenses

Details of the expenses that the Liquidators expect to incur in connection with the work that remains to be done referred to above are as set out in the estimate of anticipated expenses sent to creditors on 23 March 2018 which included all of the expenses that the Liquidators anticipate that they will incur throughout the Liquidation.

9. OTHER RELEVANT INFORMATION

Use of personal information

Please note that in the course of discharging the Liquidators' statutory duties; they may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, the Liquidators are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to use of your personal data, you can access the same at https://www.begbies-traynorgroup.com/privacy-notice. If you require a hard copy of the information, please do not hesitate to contact Megan Campbell at the Liquidators' office.

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 eight 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. CONCLUSION

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

Irvin Cohen
Joint Liquidator

Dated: 27 February 2019

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 4 January 2018 to 3 January 2019

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

Statement of Affairs £		From 04/01/2018 To 03/01/2019 £	From 04/01/2017 To 03/01/2019 £
	ASSET REALISATIONS		
	Freehold Property - Old Boiler House	75,000.00	75,000.00
	Leasehold Property - Rent	NIL	NIL
	Wayleave Receipt	NIL	50.00
	Book Debts	NIL	NIL
	Subsidiary - Group	NIL	NIL
	Subsidiary - Sevco	NIL	NIL
	Cash at Bank	NIL	2,039.92
	Rent	510.00	2,550.00
	Petitioner's Deposit	NIL	1,600.00
	Bank Interest Gross	46.79	46.79
		75,556.79	81,286.71
	COST OF REALISATIONS		
	Official Receiver's Fees	NIL	11,000.00
	Agents/Valuers Fees	2,000.00	2,000.00
	Agents/Valuers Disbursements	650.00	650.00
	Legal Fees	1,500.00	1,500.00
	Legal Expenses & Disbursements	58.00	58.00
	ISA Tax Deducted at Source	9.36	9.36
	Bank Charges	88.00	176.00
		(4,305.36)	(15,393.36)
		71,251.43	**65,893.35**
	REPRESENTED BY		
	Vat Receivable		838.00
	ISA (Interest Bearing)		65,055.35
			65,893.35

Irvin Cohen
Joint Liquidator

TIME COSTS AND DISBURSEMENTS

a. Begbies Traynor's charging policy;

b. Time Costs Analysis for the period from 4 January 2018 to 3 January 2019; and

c. Cumulative Time Costs Analysis for the period from 4 January 2017 to 3 January 2019.

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 guidance[1] 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 guidance[2] 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.

IP9 Worthington Group Plc - Winding Up Compulsory - 01WO087.WUC : Time Costs Analysis From 04/01/2018 To 03/01/2019

ff Grade		Director/Cert Practitioner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
neral Case Administration and nning	Case planning		0.7				0 2	2.9			3.8	964.50	253.82
	Administration		1.0	1 0		0 6	8.7	26.3	3.1	2 7	43.4	9,820 00	226 27
	Total for General Case Administration and Planning:		**1.7**	**1.0**		**0.6**	**8.9**	**29.2**	**3.1**	**2.7**	**47.2**	**10,784.50**	**228.49**
mpliance with the Insolvency , Rules and best practice	Appointment												0.00
	Banking and Bonding									2.3	2 3	368.00	160 00
	Case Closure												0 00
	Statutory reporting and statement of affairs		2.6	4 5		3.4		3 4			13 9	4,386.50	315.58
	Total for Compliance with the Insolvency Act, Rules and best practice:		**2.6**	**4.5**		**3.4**		**3.4**		**2.3**	**16.2**	**4,754.50**	**293.49**
estigations	CDDA and investigations		8 2	0 4							8.6	3,385 00	393.60
	Total for Investigations:		**8.2**	**0.4**							**8.6**	**3,385.00**	**393.60**
alisation of assets	Debt collection		1 4	1.5							2.9	1,100.50	379 48
	Property, business and asset sales		0 5	1 7				1 3			3.5	1,104 00	315 43
	Retention of Title/Third party assets												0 00
	Total for Realisation of assets:		**1.9**	**3.2**				**1.3**			**6.4**	**2,204.50**	**344.45**
ding	Trading												0 00
	Total for Trading:												**0.00**
aling with all creditors claims cluding employees), respondence and tributions	Secured												0.00
	Others		3 7	0 8			0 3	1.5			6 3	2,158 50	342 62
	Creditors committee	0 5									0 5	275.00	550 00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:	**0.5**	**3.7**	**0.8**			**0.3**	**1.5**			**6.8**	**2,433.50**	**357.87**
er matters which includes king decisions of creditors, etings, tax, litigation, asions and travel	Seeking decisions of creditors		0 3			0.5					0.8	261 00	326.25
	Meetings		1.4				1 4	1.2			4.0	1,167.00	291 75
	Other												0 00
	Tax		0.3	0 3		1 3	1 3				3.2	923 50	288 59
	Litigation												0 00
	Total for Other matters:		**2.0**	**0.3**		**1.8**	**2.7**	**1.2**			**8.0**	**2,351.50**	**293.94**
	Total hours by staff grade:	0.5	20.1	10.2		5.8	11.9	36.6	3.1	5.0	93.2		
	Total time cost by staff grade:	275.00	7,939.50	3,723.00		1,653.00	2,975.00	8,052.00	496.00	800.00		25,913.50	
	Average hourly rate £:	550.00	395.00	365.00	0.00	285.00	250.00	220.00	160.00	160.00			278.04

IP9 Worthington Group Plc - Winding Up Compulsory - 01WO087.WUC : Time Costs Analysis From 04/01/2017 To 03/01/2019

ff Grade		Consultant/Partner	Director	Sen Mngr	Mngr	Asst Mngr	Sen Admin	Admin	Jnr Admin	Support	Total Hours	Time Costs	Average hourly rate £
neral Case Administration and nning	Case planning	2.4	2.1	4.2			0.2	14.2			23.1	6,856.50	296.82
	Administration	0.9	1.7	4.6		0.6	8.7	51.9	6.3	5.4	80.1	18,432.00	230.11
	Total for General Case Administration and Planning:	**3.3**	**3.8**	**8.8**		**0.6**	**8.9**	**66.1**	**6.3**	**5.4**	**103.2**	**25,288.50**	**245.04**
mpliance with the Insolvency t, Rules and best practice	Appointment		2.9	7.6				11.3			21.8	6,405.50	293.83
	Banking and Bonding							1.8		6.3	8.1	1,404.00	173.33
	Case Closure												0.00
	Statutory reporting and statement of affairs	1.1	2.6	4.5		3.4		4.6			16.2	5,195.00	320.68
	Total for Compliance with the Insolvency Act, Rules and best practice:	**1.1**	**5.5**	**12.1**		**3.4**		**17.7**		**6.3**	**46.1**	**13,004.50**	**282.09**
estigations	CDDA and investigations		17.4	15.8	1.0	0.4		14.2			48.8	16,193.00	331.82
	Total for Investigations:		**17.4**	**15.8**	**1.0**	**0.4**		**14.2**			**48.8**	**16,193.00**	**331.82**
alisation of assets	Debt collection		7.1	6.0				5.0			18.1	6,094.50	336.71
	Property, business and asset sales		2.9	6.9				3.6			13.4	4,456.00	332.54
	Retention of Title/Third party assets												0.00
	Total for Realisation of assets:		**10.0**	**12.9**				**8.6**			**31.5**	**10,550.50**	**334.94**
ding	Trading												0.00
	Total for Trading:												**0.00**
aling with all creditors claims cluding employees), respondence and tributions	Secured							0.5			0.5	110.00	220.00
	Others		5.1	3.7		0.1	0.3	8.6			17.8	5,360.50	301.15
	Creditors committee	0.5									0.5	275.00	550.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:	**0.5**	**5.1**	**3.7**		**0.1**	**0.3**	**9.1**			**18.8**	**5,745.50**	**305.61**
er matters which includes king decisions of creditors, etings, tax, litigation, nsions and travel	Seeking decisions of creditors		0.3			0.5					0.8	261.00	326.25
	Meetings	2.8	14.7	14.1			1.4	10.0	1.5		44.5	15,283.00	343.44
	Other			5.9				8.5			14.4	4,023.50	279.41
	Tax		0.4	0.3		1.5	1.3	1.5			5.0	1,350.00	270.00
	Litigation			3.7				0.1			3.8	1,372.50	361.18
	Total for Other matters:	**2.8**	**15.4**	**24.0**		**2.0**	**2.7**	**20.1**	**1.5**		**68.5**	**22,290.00**	**325.40**
	Total hours by staff grade:	7.7	57.2	77.3	1.0	6.5	11.9	135.8	7.8	11.7	316.9		
	Total time cost by staff grade:	4,125.00	22,594.00	28,214.50	315.00	1,852.50	2,975.00	29,876.00	1,248.00	1,872.00		93,072.00	
	Average hourly rate £:	535.71	395.00	365.00	315.00	285.00	250.00	220.00	160.00	160.00			293.70
	Total fees drawn to date £:											0.00	

STATEMENT OF EXPENSES

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				
Postage	Royal Mail	34.21	-	34.21
Postage	The Color Company	3,899.37	-	3,899.37
Storage costs	Archive Solutions	72.00	-	72.00
Travel	Various	71.05	-	71.05
Legal Fees	Veale Wasbrough Vizards LLP	1,558.00	1,558.00	1,558.00
TOTAL		**4,076.63**	**1,558.00**	**5,634.63**
Expenses incurred with entities within the Begbies Traynor Group (*for further details see Begbies Traynor Charging Policy*)				
Agents fee	Eddisons Commercial Ltd	2,650.00	2,650.00	-
TOTAL		**2,650.00**	**2,650.00**	**-**

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Land Registry searches	Land Registry	9.00
Postage	Royal Mail	62.04
Postage	The Color Company	3,899.37
Storage Costs	Archive Solutions	90.00
Travel	Various	88.07
Legal Fees	Veale Wasbrough Vizards LLP	1,558.00
Agents Fees	Eddisons Commercial Limited	2,650.00
Bond	Insolvency Risk Service	864.00
Statutory Advertising	Courts Advertising	84.60
Subsidence	Various	34.21
TOTAL		**9,339.29**