

# AM06

## Notice of approval of administrator's proposals



Companies House

THURSDAY



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12/12/2019

#266

COMPANIES HOUSE

### 1 Company details

Company number 00737225  
Company name in full Sheffield & Ford (Builders) Limited

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

### 2 Court details

Court name High Court of Justice, Business and Property Courts  
in Birmingham, Insolvency & Companies List (ChD)

Court case number C12-2019-006820

### 3 Administrator's name

Full forename(s) Neil Charles  
Surname Money

### 4 Administrator's address

Building name/number 126 New Walk

Street Leicester

Post town LE1 7JA

County/Region

Postcode

Country

## AM06

Notice of approval of administrator's proposals

**5 Administrator's name ①**

Full forename(s)

Surname

**① Other administrator**

Use this section to tell us about another administrator.

**6 Administrator's address ②**

Building name/number

Street

Post town

County/Region

Postcode

Country

**② Other administrator**

Use this section to tell us about another administrator.

**7 Date administrator(s) appointed**Date 

d	1	d	1	m	1	m	0	y	2	y	0	y	1	y	9
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**8 Date statement of proposals delivered to creditors**Date 

d	2	d	6	m	1	m	1	y	2	y	0	y	1	y	9
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**9 Date proposals were deemed to be approved**Date 

d	0	d	6	m	1	m	2	y	2	y	0	y	1	y	9
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**10 Sign and date**

Administrator's signature

Signature

X



X

Signature date

d	0	d	9	m	1	m	2	y	2	y	0	y	1	y	9
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## 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 **Steven Glanvill**

Company name **CBA**

Address **126 New Walk**  
**Leicester**

Post town **LE1 7JA**

County/Region

Postcode

Country

DX

Telephone **0116 262 6804**



## 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 signed and dated 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)

**Administrator's Proposals relating to  
Sheffield & Ford (Builders) Limited ("the Company") – In Administration**

**Issued on: 26 November 2019**

**Delivered to creditors on: 26 November 2019**

I am the Administrator of the Company and these are my statutory proposals relating to the Company.

## 1. STATUTORY INFORMATION

### Company Information

Company name: Sheffield & Ford (Builders) Limited  
Previous name: N/A  
Trading name: N/A  
Company number: 00737225  
Date of incorporation: 8 October 1962  
Trading address: Mill Street, Duddington, Stamford, Lincolnshire PE9 3QG  
Current registered office: C/O CBA Business Solutions, 126 New Walk, Leicester LE1 7JA  
Former registered office: Mill Street, Duddington, Stamford, Lincolnshire PE9 3QG  
Principal trading activity: Construction of domestic buildings

### Appointment Details

Administrator: Neil Charles Money  
Administrator's address: CBA Business Solutions, 126 New Walk, Leicester LE1 7JA  
Date of appointment: 11 October 2019  
Court name and reference: High Court of Justice, Business and Property Courts in Birmingham, Insolvency & Companies List (ChD) CR-2019-006820  
Appointment made by: Qualifying Floating Charge Holder  
Officers of the Company:

<i>Directors:</i>	<i>Name:</i>	<i>Shareholding</i>
	Michael Andrew Ford	163 Ordinary shares of £1 each

<i>Company secretary:</i>	<i>Name:</i>	<i>Shareholding</i>
	Gertrude Elizabeth Ford	261 Ordinary shares of £1 each

### Share capital

<i>Authorised</i>	<i>Allotted, called up and fully paid</i>
2,000 ordinary shares of £1.00 each	750 ordinary shares of £1.00 each

## **Charges**

Michael Andrew Ford, holds a fixed and floating charge created on 16 September 2019 and delivered on 19 September 2019. The fixed charge is held over the land lying to the north-west of Mill Street, Duddington, Stamford PE9 3QG.

## **2. CIRCUMSTANCES LEADING TO THE APPOINTMENT OF THE ADMINISTRATOR**

*Creditors should note that, unless otherwise stated, this section of my proposals has been prepared based on information provided to me by the directors of the Company and not from my personal knowledge as Administrator.*

Sheffield & Ford (Builders) Limited (hereafter referred to as "the Company"), was incorporated on 8 October 1962. The principal activity of the business was construction, operating from freehold premises at Mill Street, Duddington, Stamford, Lincolnshire PE9 3QG. The Company was incorporated by the current Director's father, Mr Peter Ford, Mr Roy Sheffield. Both were qualified carpenters and had worked together on sites before setting up the Company.

The initial set-up of the Company was for Mr Sheffield to be office-bound, with Mr P Ford managing various sites. The Company initially operated from rented premises, however in 2012 freehold premises were purchased at Mill Street, Duddington which became the main yard, office and storage facility that the Company used until cessation of trading in June 2018.

The Company traded successfully for many years, having gained contracts with local schools, carrying out upgrades through the school holiday periods. At one stage the Company employed 18 staff, with a similar number of sub-contractors engaged by the business.

Family members of both directors were, from time-to-time, employed by the Company. In the early 1990's Mr Sheffield retired and moved abroad, and Mr P Ford's son, Mr Paul Ford began working for the Company. He current director's wife then began working for the Company doing various secretarial work, along with Mr Paul Ford's son who began to work for the business on a full-time basis.

In January 1993, the Director's three sons were appointed as directors. The general set-up was that Mr Michael Ford would oversee the contracts at site, together with his son, and Mr Paul Ford would manage the office, together with his son.

Mr Martin Ford was also site-based, being a trained carpenter, although latterly he began overseeing other parts of the business.

Mr Peter Ford sadly passed away in 2010, leaving the control of the business exclusively to his three sons.

The Company subsequently traded successfully, however a dispute arose between the Company and Mr Paul Ford in / around 2015, which ultimately led to Mr Paul Ford resigning his position and leaving the business. During the subsequent months Mr Peter Ford began a claim through a tribunal for unfair dismissal, which eventually resulted in a settlement being reached by way of a signed settlement agreement ("the Settlement Agreement") on 11 December 2015.

The terms of the Settlement Agreement provided that, inter alia, the shareholders sell the piece of land jointly owned by the Company and shareholders, with the proceeds to be split as per the Settlement Agreement itself, being:

Sheffield & Ford (Builders) Limited: 39.145%  
Paul Ford – 26.87%  
Alex ford - 0.665%  
Martin Ford – 16.66%  
Michael Ford - 16.66%

The terms of the Settlement Agreement also provided that an application would be made for planning permission in respect of the builders' yard at Duddington ("the Land"), and that parties would seek to sell at the best obtainable price on or after 30 June 2018.

The Settlement Agreement further provided that if planning permission for the Land was not obtained by 11 December 2018, the parties to the Settlement Agreement would agree to appoint an agent to sell the Land at the best available price.

I am aware that neither actions detailed above were taken, and the Director suggested that the best possible way of obtaining a sale of the land was to obtain insolvency advice. Due to the disputes there was no possibility to place the Company into Creditors' Voluntary Liquidation, as passing a special resolution to place the Company into Creditors' Voluntary Liquidation would have required 75% or more of those voting, which could not be obtained. The Director therefore sought advice and took steps to appoint an Administrator under the terms of his floating charge.

Prior to the commencement of the Administration CBA Business Solutions Limited acted as advisors to the Board as a whole acting on behalf of the Company. No advice was given to the individual directors regarding the impact of the insolvency of the company on their personal financial affairs. Whilst not formally in office at that time, CBA Business Solutions Limited was still required to act in its dealings with the Company in accordance with the Insolvency Code of Ethics.

On 11 October 2019, I was appointed as Administrator of the Company by the Qualifying Floating Charge Holder, Mr Michael Andrew Ford, and took over from the Board responsibility for the management of the affairs, business and property of the Company.

A summary of the Company's recent trading performance is shown below.

	Filed Accounts	Filed Accounts	Filed Accounts
<b>ABBREVIATED PROFIT &amp; LOSS ACCOUNT</b>	<b>Y/E 30.06.18</b>	<b>Y/E 30.06.17</b>	<b>Y/E 30.06.16</b>
<b>Turnover</b>	505,263	904,479	1,082,580
Cost of Materials	(514,076)	(720,053)	(784,142)
<b>Gross Profit/(Loss)</b>	(8,813)	184,426	298,438
Administration Expenses	(156,230)	(213,623)	(277,582)
Other Operating Income	-	-	(1,720)
<b>Operating Profit/(Loss)</b>	(165,043)	(29,197)	22,576
Other Charges	-	(95)	(61)
<b>Profit/(Loss) on Ordinary Activities before Taxation</b>	(165,043)	(29,292)	22,515
Tax on Profit on Ordinary Activities	6,879	(5,273)	(4,357)
<b>Profit/(loss) on Ordinary Activities after Taxation</b>	(158,164)	(34,565)	26,872
Dividends	-	-	-
<b>Retained Profit/(Loss) for the Year</b>	(158,164)	(34,565)	26,872
Accumulated Profit/(Loss) Brought Forward	222,716	257,282	230,410
<b>Retained Profit/(Loss) for the Year</b>	64,522	222,716	257,282



**ABBREVIATED BALANCE SHEET**

	Y/E 30.06.18	Y/E 30.06.17	Y/E 30.06.16
<b>Fixed Assets</b>			
Tangible Assets	36,033	83,040	176,535
	<u>36,033</u>	<u>83,040</u>	<u>176,535</u>
<b>Current Assets:</b>			
Stock	-	76,500	70,811
Debtors	47,905	92,178	73,147
Cash at Bank and in Hand	1,860	59,242	64,628
	<u>49,765</u>	<u>227,920</u>	<u>208,586</u>
<b>Creditors:</b> amounts falling due within one year	<u>(17,046)</u>	<u>(80,165)</u>	<u>(43,122)</u>
<b>Net Current Assets/(Liabilities)</b>	<u>32,719</u>	<u>147,755</u>	<u>165,464</u>
<b>Total Assets Less Current Liabilities</b>	<u>68,752</u>	<u>230,795</u>	<u>341,999</u>
<b>Creditors:</b> amounts falling due after more than one year	(3,430)	(450)	-
<b>Provision for Liabilities</b>	<u>-</u>	<u>(6,879)</u>	<u>-</u>
<b>Net Assets</b>	<u>65,302</u>	<u>223,466</u>	<u>341,999</u>
<b>Capital and Reserves</b>			
Called Up Share Capital	750	750	750
Revaluation Reserve	-	-	83,217
Other Reserves	-	-	750
Profit and Loss Account	<u>64,522</u>	<u>222,716</u>	<u>257,282</u>
<b>Shareholders' Funds</b>	<u>65,302</u>	<u>223,466</u>	<u>341,999</u>

**3. OBJECTIVES OF THE ADMINISTRATION AND THE ADMINISTRATOR'S STRATEGY FOR ACHIEVING THEM**

As Administrator of the Company, I am an officer of the Court, and must perform my duties in the interests of the creditors as a whole in order to achieve the purpose of the Administration, which is to achieve one of the three objectives set out in the insolvency legislation, namely to:

- (a) rescue the Company as a going concern; or
- (b) achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or
- (c) realise property in order to make a distribution to one or more secured or preferential creditors.

Objective (a) could not be achieved as no purchaser could be found for the shares of the Company and the nature of the Company's trading and its financial circumstances meant that a Company Voluntary Arrangement was not appropriate. Furthermore, there is case law to the effect that to achieve objective (a), control of the company must return to the directors and the Company must survive as a trading entity, which will not be the case here. The Court has specifically indicated that cases like this, where there are sufficient realisations to enable a distribution to be made to the members, does not constitute a case where I am able to pursue objective (a).

As a result, I am seeking to achieve objective (b) for the Company, and will do this by contacting the joint owners of the Land to agree a strategy and way forward to value and proceed to sell the Land. I am confident that a resolution and agreement on strategy can be achieved swiftly. In addition, I will pursue realisations in relation to the Company's book debt, instructing a debt collector where necessary. I have already taken steps to contact the debtor, and a debt collector to review the validity of any disputes. Creditors are advised that I have taken steps to close the Company's bank account, with the credit balance being forwarded to the Administration estate.

The insolvency legislation has set a 12 month maximum duration for Administrations, unless the duration is extended by the Court or the creditors. If I am unable to complete the Administration of the Company within 12 months then I will either apply to the Court, or seek a decision from the creditors to extend the duration of the Administration.

#### **4. ACTIONS OF THE ADMINISTRATOR FOLLOWING APPOINTMENT**

Since I was appointed Administrator, I have taken steps to convene a meeting of the parties to the Settlement Agreement in order to agree a strategy to sell the Land. I have also written to the Company's bankers to request closure of the account and for any credit balance to be forwarded to the Administration estate. I had to undertake this work either as part of my routine administrative functions, or in order to protect and realise the assets of the Company. I have also written to the Company's debtor, requesting payment and reviewed responses pertaining to the same.

In addition, I have undertaken routine statutory and compliance work, such as filing notice of my appointment at Companies House, notifying creditors, directors and shareholders of my appointment, requesting submission of a Statement of Affairs by the Director, and preparing a gazette notice. I have also begun my statutory investigations into the affairs of the Company and conduct of the Director, issuing a questionnaire for completion by the Director and requesting delivery up of the books and records. These are tasks that are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

#### Role of the Insolvency Practitioner

I was introduced to the Board of the Company by Mr Roy Botterill of Shakespeare Martineau LLP on 15 August 2019 and I met with the Board to discuss the financial affairs of the Company. Prior to the commencement of the Administration I advised the Board as a whole, acting on behalf of the Company, about the Company's financial difficulties and provided advice about the options available to the Company to help determine an appropriate course of action to take. No advice was given to the individual directors regarding the impact of the insolvency of the Company on their personal financial affairs. Whilst not formally in office at that time, I was still required to act in my dealings with the Company in accordance with the Insolvency Code of Ethics.

Prior to my appointment as Administrator after I was contacted by the Director and his solicitor, to discuss the financial position of the Company. All options were discussed with the Director, who agreed that appointing an Administrator would facilitate a sale of the Land and potentially enable a distribution to unsecured non-preferential creditors.

Ultimately the Company was placed into Administration and I was appointed Administrator. As Administrator I am an officer of the Court and I have taken over the management of the Company from the Board. As indicated above, the purpose of this Administration is achieve objective (b).

In order to help me achieve the objective I have a wide range of powers, as set out in the insolvency legislation, and I must perform my functions as quickly and efficiently as is reasonably practicable. I must also act in the interests of the creditors of the Company as a whole other than where objective (c) is being pursued I need only ensure that I do not unnecessarily harm the interests of the creditors of the Company as a whole.

### Pre-appointment considerations

#### **No Action**

This was discussed as an option, however as the interested parties are already in dispute and at a stalemate, this was not an appropriate route.

#### **Compulsory Liquidation**

A Compulsory Liquidation was considered, however due to the costs involved relating to statutory fees, this route was considered to be less cost effective than an Administration, which also afforded the benefit of a statutory moratorium to protect the assets and allow them to be dealt with immediately. It was also considered that an unnecessary delay would be incurred in a Compulsory , as in view of the complex nature of this case and the quantum and nature of creditors, I believe that the case is likely to be passed over to an Insolvency Practitioner within the private sector. If this were to happen, the fees charged would have to be agreed with creditors as a body, and the method of charging would be the choice of the appointed practitioner, subject to the agreement of creditors.

Any liquidator appointed will need to familiarise himself with the nature of the case and the facts therein. Whilst these facts are relayed herein, as far as they can be, there will inevitably be an element of duplication in going over the work already undertaken in the event of liquidation.

#### **Additional Funding**

This option was discussed to attempt to purchase the land in full from the other interested parties, however due to the disputes between the shareholders, this would have resulted in an unnecessary delay whilst funds were obtained and an agreement reached. In addition, due to the cessation of trading the Company would have no ability to service repayments whilst a subsequent purchaser for the land was sought.

#### **Company Voluntary Arrangement**

A Company Voluntary Arrangement ("CVA") was considered, however as the Company had ceased trading in June 2018, there was no ability to support ongoing contributions. In addition, due to the disputes between the shareholders, it was not likely that sufficient votes could be obtained to pass the necessary resolutions to approve a CVA.

#### **Creditors' Voluntary Liquidation**

A Creditors' Voluntary Liquidation was considered, however due to the dispute between the shareholders it was not possible gain sufficient votes to pass a special resolution to place the Company into Liquidation.

#### **Administration**

This option was discussed and considered to be the most appropriate route, with the best outcome for creditors generally. Therefore, following discussions with the Director, in his capacity as Qualifying Floating Charge Holder, he wished to exercise his ability to appoint an Administrator under the terms of his floating charge, and I considered that a statutory purpose could be achieved.

## **5. FINANCIAL POSITION OF THE COMPANY**

A summary of the Company's estimated financial position as at 11 October 2019, which is known as a Statement of Affairs, is attached at Appendix 1.

## **Comments on the Statement of Affairs of the financial position of the Company**

### **5.1. Freehold land and buildings**

The Company is a joint registered owner of the land lying to the north east of Mill Street, Duddington PE9 3QG registered under title number NN313144 ("the Land"). The Land is jointly owned between the Company, Paul John Ford, Michael Andrew Ford and Martin Peter Ford.

The Land holds a value in the Company's accounts of £36,033.00. I am aware that a commercial property surveyor was instructed in March 2017 to prepare an inspection report on the Land, and to advise upon a strategy to realise the maximum value for the Land. No formal valuation was provided, however an expression of interest to purchase the Land, without planning permission, was received by the Company at that time. I understand the expression of interest suggested a value of £600,000 at that stage, and that value has been shown as realisable for the purposes of the Statement of Affairs.

The Settlement Agreement referred to earlier in this report confirmed that the Company's interest in the Land was 39.145%, and therefore an expected realisable value of £234,870.00, being 39.145% of £600,000.00 has been used for the purposes of the Statement of Affairs.

I am currently seeking further valuations of the Land, together with a strategy to maximise realisations for the benefit of creditors.

It is noted that Shire Leasing Plc obtained a Final Charging Order against the Land on 8 August 2019 in respect of sums due in relation to leased items. This debt is understood to be £2,901.75.

It is also noted that Mr Michael Andrew Ford holds a fixed charge of the Land in respect of funds owing to him in the amount of £15,000.00.

### **5.2. Book debts**

The Company is owed £8,403.50 in relation to one debtor. The realisable value given to book debts takes into account a general bad debt provision of 25% such that the book debts are expected to realise £7,052.63. It may be necessary to instruct a quantity surveyor and / or debt collector to assist in realising amounts due to the Company, as there is a known dispute concerning the amount owing.

### **5.3. Cash at Bank**

The Company's bank account held with Barclays Bank Plc showed a credit balance of £15,982.81.

### **5.4. Preferential creditors**

Preferential creditors relate to claims from former employees of the Company for unpaid wages and holiday pay. There are not expected to be any preferential claims in this matter.

### **5.5. Prescribed part**

There are provisions of the insolvency legislation that require an Administrator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property." A Company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. An Administrator has to set aside:

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property;

up to a maximum of £600,000.

The Company gave a floating charge to Mr Michael Ford on 16 September 2019 and the prescribed part provisions will apply. The Statement of affairs estimate of the financial position of the Company shows that the net property of the Company is £255,094.04 and I estimate that the prescribed part of the net property for unsecured creditors is £54,018.81. However, these estimates do not take into account the costs of the Administration which will reduce the amount of the Company's net property. However, the prescribed part provisions are not expected to apply, as the charge holder is expected to be paid in full under the terms of the fixed charge.

## **Unsecured Non-Preferential Creditors**

### Trade and Expense Creditors

According to the Company's financial records, there are nine trade and expense unsecured non-preferential creditors with an outstanding liability of £15,703.73. Trade Creditors' claims have been extracted from the Company records. Should any creditor's claim differ from the sum disclosed this would not prejudice their ability to claim in full. All claims are subject to the Liquidators' adjudication. It is possible that there may be some creditors' claims which are not included in the Company's records and do not, therefore, appear on the attached schedule.

### Employees

I am aware that two former employees commenced action against the Company through a tribunal for, amongst other things, compensation for unfair dismissal and unpaid holiday pay. It is understood that this claim was disputed by the Company and no judgement had been made at the time the Company entered into Administration. Therefore a nominal amount has been assigned to this on the basis that the Administrator may be required to determine the merit of any defence.

### Mr Michael Andrew Ford

According to the Company's financial records, the sum of £1,000.00 is due in respect of a Directors' Loan Account.

## **6. ADMINISTRATOR'S RECEIPTS AND PAYMENTS ACCOUNT**

I attach a summary of the receipts and payments relating to the Company for the period from when it entered Administration, 11 October 2019, to the date of these proposals, at Appendix 2.

### **6.1. Receipts**

#### **Cash at Bank**

Upon appointment I wrote to the Company's bankers to request closure of the account. This resulted in realisations of £15,982.81 into the estate. No further such receipts are anticipated.

### **6.2. Payments**

There have been no payments from the estate to date.

## **7. PROPOSED FUTURE ACTIONS OF THE ADMINISTRATOR TO ACHIEVE THE OBJECTIVE OF THE ADMINISTRATION**

In order to achieve the objective of the Administration of the Company I propose that I continue to pursue that Company's book debt, which may require the assistance of a debt collector and / or a quantity surveyor.

I am in the process of arranging a meeting / corresponding with the joint owners of the Land to discuss a way forward and to agree a strategy and timescale to value, market and sell the Land. Once the Land is sold, this will likely realise sufficient funds to enable a distribution to secured creditors and unsecured creditors, although the exact quantum and timing cannot be ascertained at this stage.

## **8. ADMINISTRATOR'S REMUNERATION AND EXPENSES**

I attach at Appendix 3 a copy of my practice fee recovery policy. In this case I am seeking to fix the basis of my remuneration on more than one basis as detailed below:

### Fixed fee basis:

There are certain tasks that I have to carry out on nearly every case, namely Administration/Statutory/Case Progression, Investigations, Case Specific Matters and Creditors. Although they are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, they do not produce any direct benefit for creditors, but still have to be carried out.

**Administration:** This represents the work that is involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder and their managers. It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

### **Creditors:**

**Employees -** The office holder needs to deal with the ex-employees in order to ensure that their claims are processed appropriately by the Redundancy Payments Office (RPO). That work will include dealing with queries received from both the ex-employees and the RPO to facilitate the processing of the claims. The office holder is required to undertake this work as part of his statutory functions. I am also aware in this matter that two former employees took action against the Company through a tribunal. Although no judgement was made, I may require the assistance of a solicitor to review those claims and establish any merit in defending the same.

**Claims of creditors -** the office holder needs maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

### **Case specific matters:**

**Pension –** I am aware that the Company operated a pension scheme, and I am required to issue notice to relevant parties and to administer closure of the scheme. I may require the assistance of an agent to complete this.

**Investigations:** The insolvency legislation gives the office holder powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure and also in respect of matters such as misfeasance and wrongful trading. The office holder is required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors and the time costs recorded represent the costs of undertaking such an initial investigation. If potential recoveries or matters for further investigation are identified then the office holder will need to incur additional time costs to investigate them in detail and to bring recovery actions where necessary, and further information will be provided to creditors and approval for an increase in fees will be made as necessary. Such recovery actions will be for the benefit of the creditors and the office holder will provide an estimate of that benefit if an increase in fees is necessary. The office holder is aware that the following specific matters require to be investigated; the disposal of physical assets and certain queries raised by former directors. The estimated time required to be spent to do so and the time costs of doing so are included in the estimate. The office holder is unable to quantify the benefit to creditors of these

investigations at present but will include such information in their statutory report to creditors once the position is clear.

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 obligation is of no direct benefit to the creditors, although it may identify potential recovery actions.

After taking into account the nature and value of the assets involved and that this is a more complex case due to known issues surrounding former employees' claims, shareholder disputes, and investigations into the affairs of the Company and conduct of the directors, as highlighted above, I have concluded that a fixed fee of £31,000.00 plus VAT is necessary to cover that work. I have also compared the proposed fixed fee with our past time records for undertaking the work in respect of cases of a similar size and complexity and taken that into account when determining the level of the fixed fee sought, and as a result I believe that this demonstrates why the fixed fee is expected to produce a fair and reasonable reflection of the work that I anticipate will be necessarily and properly undertaken. Full information about the work that I will undertake for the fixed fee is contained in Appendix 4.

Percentage basis:

There are certain tasks that I only have to carry out where there are assets to recover. They may produce a direct benefit for creditors, but are subject to the costs of the proceedings generally. I undertake the work to protect and then realise the assets, initially at my own cost, suffering the loss if any asset is not realisable. If assets are recovered, I first recover my costs and then distribute any balance. I am seeking to recover a percentage of the property that I have to deal with, in order to remunerate me for the work that I undertake in respect of protecting and then realising that property. The percentage I propose to charge will also share the anticipated benefit with the creditors. I am seeking to recover the following percentages:

<b>Nature of asset</b>	<b>Percentage being sought (%)</b>
<i>Freehold land and buildings (net estate realisations)</i>	10%
Book debts	15%
Any other realisations (Excl. cash at bank)	20%

Based on the assets of the Company being realised for the amounts as estimated above, then my remuneration based on a percentage of such realisations would be £24,268.26 plus VAT.

I think the percentages I am seeking approval for reflect the risk that I am taking, the nature of the assets involved, and the complexity of the Administration, as highlighted above. I have also compared the proposed percentage for which approval is being sought with fees charged by debt collection agents and with agents dealing with and taken that into account when determining the percentage being sought. As a result, I believe that this demonstrates why the percentages proposed are expected to produce a fair and reasonable reflection of the work that I anticipate will be necessarily and properly undertaken.

Whilst I am required to maintain records of creditors' claims in all cases, in those cases where sufficient realisations are made to enable me to pay a dividend to creditors, I have to undertake certain statutory formalities. This include writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors. I am seeking to recover 15% percent of any distributions made, to reflect the additional work required.

I think the percentage I am seeking approval for reflects the number of creditors involved and the complexity of the Administration, as highlighted above. I have also compared the proposed percentage for which approval is being sought with the statutory scale for such work and taken that into account when determining the percentage being sought. I believe that this demonstrates why the percentage proposed is expected to produce a fair and reasonable reflection of the work that I anticipate will be necessarily and properly undertaken.

Full information about the work that I will undertake as a percentage of realisations and distributions is contained in Appendix 4.

I am not seeking a decision from the creditors on whether or not to approve these proposals as the Company's financial position means there are likely to be sufficient assets to pay a dividend to non-preferential unsecured creditors (other than by way of the prescribed part of the net property) in full, plus statutory interest.

As a result, whilst I am prohibited by the insolvency legislation from seeking a decision from the creditors as to whether or not they approve these proposals, I will both be seeking a decision from the creditors to approve my remuneration and category 2 expenses and also separately seeking the approval of the charge holder.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at <https://www.r3.org.uk/what-we-do/publications/professional/statements-of-insolvency-practice/e-and-w/sip-9-list>. There are different versions of these Guidance Notes, and in this case please refer to the April 2017 version. Please note that we have also provided further details in the practice fee recovery sheet.

I have used no agents or professional advisors since my appointment as Administrator. Details of the agents and professional advisors expected to be used are provided at Appendix 5.

My expenses incurred to date amount to £82.49 plus VAT and represent:

Type of expense	Amount incurred/accrued since appointment	Amount still to be paid
Statutory Advertising	£77.00	£77.00
Postage	£5.49	£5.49
<b>Total</b>	<b>£82.49</b>	<b>£82.49</b>

I have not been able to draw any expenses in this matter.

I also propose that I am permitted to charge and recover what are known as category 2 expenses. Details of my category 2 disbursement recovery policy are included within our practice fee recovery sheet enclosed as Appendix 3.

To date no category 2 disbursements have been incurred.

I anticipate that expenses totalling £23,231.26 plus VAT will arise in these proceedings, (together with any subsequent Liquidation) as detailed in Appendix 7. Expenses do not have to be approved, but when reporting to any committee and the creditors during the Administration (together with any subsequent Liquidation,) the actual expenses incurred will be compared with the original estimate provided and I will explain any material differences (for example, where legal costs rise due to escalated recovery action).

## 9. PRE-ADMINISTRATION COSTS

The Qualifying Floating Charge Holder, Mr Michael Ford, instructed me to assist him in placing the Company in Administration on 11 October 2019. I informed him that I did not intend to seek recovery of my pre-administration fees, however it was agreed that pre-appointment solicitors fees could be paid from the Administration estate.



The following expenses were incurred:

Type of expense	Amount incurred/accrued prior to appointment	Amount still to be paid
Solicitor's Fees	£5,000	£5,000

The following work was undertaken by Shakespeare Martineau LLP; preparing pre-appointment documentation in relation to my appointment, filing necessary documentation with the Court, liaising with the Qualifying Floating Charge Holder, conducting necessary searches and liaising with CBA Business Solutions Limited concerning appointment.

I also assisted the Qualifying Floating Charge Holder take the appropriate steps to place the Company into Administration. This task, together with some of the other tasks mentioned above are required by statute or regulatory guidance, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

No further pre-appointment disbursements were incurred by CBA Business Solutions Limited.

Shakespeare Martineau LLP undertook the necessary legal formalities to put the company into Administration. Their costs for providing that work were £5,000.00 plus disbursements plus VAT. This amount will be paid as an expense of the Administration without needing to obtain the approval of creditors.

#### **10. ADMINISTRATOR'S INVESTIGATIONS**

I have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the Administration. I am also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf. I should be pleased to receive from you any information you have that you consider will assist me in this duty. I would stress that this request for information forms part of my normal investigation procedure.

#### **11. EC REGULATION ON INSOLVENCY PROCEEDINGS**

I consider that the EC regulation on insolvency proceedings apply to the Administration of the Company. I also consider that they are "main" proceedings since the Company's registered office and its trading address are in the United Kingdom.

#### **12. ADMINISTRATOR'S PROPOSALS**

In order to achieve the objective set out at section 3 above, I formally propose to creditors that:

- (a) I continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that I:
  - (i) continue to pursue the Company's book debt, instructing a quantity surveyor and / or debt collector as required.
  - (ii) sell the Company's assets at such time(s) on such terms as I consider appropriate;
  - (iii) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or Company whether in contract or otherwise, including any officer or former

officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company; and

- (iv) do all such things and generally exercise all their powers as Administrator as I consider desirable or expedient at my discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals; and
  - (v) make an application to the Court to enable a distribution to unsecured non-preferential creditors if sufficient assets realisations are made.
- (b) the Administration will end by placing the Company into Creditors' Voluntary Liquidation, and propose that I, Neil Charles Money, am appointed the Liquidator of the Company.

Creditors may nominate a different person(s) as the proposed liquidator(s), but they must make the nomination(s) at any time after these proposals are delivered to them, but before they are approved. Information about the approval of the proposals is set out at section 13.

- (c) if there should be insufficient assets realised to enable a distribution to unsecured non-preferential creditors, the Administration of the Company will end by filing notice of dissolution with the Registrar of companies. The Company will then automatically be dissolved by the registrar of companies three months after the notice is registered.

### **13. APPROVAL OF PROPOSALS**

*Since the purpose of the Administration of the Company is to achieve objective (b), that is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration), and the Company has sufficient assets to pay all creditors in full, I am prohibited by the insolvency legislation from seeking a decision from the creditors to consider these proposals.*

However, a creditor, or creditors, whose debts amount to at least 10% of the total debts of the Company can require me to hold a decision procedure to enable creditors to consider whether or not to approve these proposals and/or to consider such other decision as they see fit. Such a request must be received by me within 8 business days from the date these proposals are delivered to the creditors. If creditors do not require me hold a decision procedure within that time period, then these proposals will be deemed to have been approved.

Creditors should note that I need not initiate the decision procedure unless the creditor, or creditors, requisitioning the decision procedure provides me with such amount that I request from them to meet the expenses of the requisitioned decision procedure.

### **14. FURTHER INFORMATION**

To comply with the Provision of Services Regulations, some general information about CBA Business Solutions Limited, including about our complaints policy and Professional Indemnity Insurance, can be found at [www.cba-insolvency.co.uk](http://www.cba-insolvency.co.uk).

If creditors have any queries regarding these proposals or the conduct of the Administration in general, or if they want hard copies of any of the documents made available on-line, they should contact Steven Glanvill by email at [Steven.Glanvill@cba-insolvency.co.uk](mailto:Steven.Glanvill@cba-insolvency.co.uk), or by phone on 0116 262 6804.



**Neil Money**  
**ADMINISTRATOR**

The Administrator is an agent of the Company and acts without personal liability.

## STATEMENT OF AFFAIRS

Name of Company  
Sheffield & Ford (Builders) Limited

Company Number  
00737225

In the  
High Court of Justice, Business and Property Courts in  
Birmingham, Insolvency & Companies List (ChD)

Court case number  
CR-2019-006820

Statement as to the affairs of

Sheffield & Ford (Builders) Limited

CBA Business Solutions Ltd

126 New Walk

Leicester

LE1 7JA

on the 11 October 2019, the date that the company entered administration.

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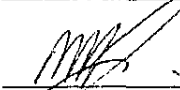
### Statement of Truth

I believe the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at 11 October 2019 the date that the company entered administration.

Full Name

Michael Ford

Signed



Dated

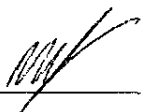
25/10/19

Sheffield & Ford (Builders) Limited  
Statement Of Affairs as at 11 October 2019

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
<b>Assets subject to fixed charge:</b>		
Freehold Land & Property	36,033.00	234,870.00
Shire Leasing Plc		(2,901.75)
		231,968.25
<b>Assets subject to floating charge:</b>		
Book Debts	8,403.50	
Cash at Bank	15,982.81	15,982.81
<b>Uncharged assets:</b>		
<b>Estimated total assets available for preferential creditors</b>		247,951.06

Signature



Date

25/11/19

Sheffield & Ford (Builders) Limited  
Statement Of Affairs as at 11 October 2019

A1 - Summary of Liabilities

		Estimated to Realise £
<b>Estimated total assets available for preferential creditors (Carried from Page A)</b>		247,951.06
<b>Liabilities</b>		
Preferential Creditors:-		
		<u>NIL</u>
<b>Estimated deficiency/surplus as regards preferential creditors</b>		247,951.06
Debts secured by floating charges pre 15 September 2003		
Other Pre 15 September 2003 Floating Charge Creditors		<u>NIL</u>
		247,951.06
Estimated prescribed part of net property where applicable (to carry forward)		<u>52,590.21</u>
<b>Estimated total assets available for floating charge holders</b>		195,360.85
Debts secured by floating charges post 14 September 2003		
Mr Michael Andrew Ford	15,000.00	
		<u>15,000.00</u>
<b>Estimated deficiency/surplus of assets after floating charges</b>		180,360.85
Estimated prescribed part of net property where applicable (brought down)		<u>52,590.21</u>
<b>Total assets available to unsecured creditors</b>		232,951.06
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade & Expense Creditors	8,168.73	
Employees	2.00	
Mr Micheael Andrew Ford	1,000.00	
		<u>9,170.73</u>
<b>Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)</b>		223,780.33
<b>Estimated deficiency/surplus as regards creditors</b>		223,780.33
Issued and called up capital		
Ordinary Shareholders	587.00	
		<u>587.00</u>
<b>Estimated total deficiency/surplus as regards members</b>		<u>223,193.33</u>

Signature



Date

23/11/19

**CBA**  
**Sheffield & Ford (Builders) Limited**  
**B - Company Creditors**

Key	Name	Address	£
CC00	Christine Ford	Sandall House, Stamford Road, Barnack, Stamford, PE9 3EZ	760.00
CC01	CITB	Customer Operations, Bircham Newton, King's Lynn, Norfolk, PE31 6RH	1.00
CE00	East Northamptonshire District Council	East Northamptonshire House, Cedar Dr, Thrapston, Kettering, NN14 4LZ	501.23
CF00	Figurehead	69 Abbey Road, Bourne, Lincs, PE10 9EN	295.00
CF01	Mrs Michelle Hickson Ford	8 Church Street, Langham, Oakham, Rutlan, LE15 7JE	1.00
CF02	Mr Martin Ford	C/O Stapleton & Son, 1 Broad Street, Stamford, PE9 1PD	1.00
CH05	Hegarty Solicitors	48 Broadway, Peterborough, PE1 1YW	2,677.05
CI00	Ian Halsall	14 Capendale Close, Ketton, Stamford, PE9 3RU	390.00
CLCS	LCS	Town Centre House, Merrion Centre, Leeds, LS2 8LY	1,674.73
CS00	Shire Leasing Plc	c/o Baker Tilly Creditor Services, Salisbury House, 31 Finsbury Circus, London, EC2M 5SQ	2,901.75
CS01	Shakespeare Martineau LLP	2 Colton Square, Leicester, LE1 1QH	1,584.00
CW00	Wave	Northumbria House, Abbey Road, Pity Me, Durham, DH1 5FJ	285.72
<b>12 Entries Totalling</b>			<b>11,072.48</b>

Signature




Page 1 of 3

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22 November 2019 16:35

**CBA**  
**Sheffield & Ford (Builders) Limited**  
**B1 - Company Creditors - Employees & Directors**

Key	Name	Address	Pref £	Unsec £	Total £
RF00	Michael Andrew Ford	Sandall House, Stamford Road, Barnack, Stamford, PE9 3EZ		1,000.00	1,000.00
1 Entries Totalling			0.00	1,000.00	1,000.00



Signature

Page 2 of 3

IPS SQL Ver. 2015.09

22 November 2019 16:35



**CBA**  
**Sheffield & Ford (Builders) Limited**  
**B2 - Company Creditors - Consumer Creditors**

Key	Name	Address	£
0 Entries Totalling			0.00



Signature

Page 3 of 3

**CBA**  
**Sheffield & Ford (Builders) Limited**  
**C - Shareholders**

Key	Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amt. Called Up
HF00	Gertrude Elizabeth Ford	C/O Stapleton & Son, 1 Broad Street, Stamford, PE9 1PD	Ordinary	1.00	261	1.00	261.00
HF01	Martin Peter Ford	C/O Stapleton & Son, 1 Broad Street, Stamford, PE9 1PD	Ordinary	1.00	163	1.00	163.00
HF02	Michael Andrew Ford	Sandall House, Stamford Road, Barnack, Stamford, PE9 3EZ	Ordinary	1.00	163	1.00	163.00
<b>3 Ordinary Entries Totalling</b>					<b>587</b>		



Signature

**Sheffield & Ford (Builders) Limited**  
**(In Administration)**  
**Administrator's Summary of Receipts & Payments**

Statement of Affairs £		From 11/10/2019 To 26/11/2019 £	From 11/10/2019 To 26/11/2019 £
	SECURED ASSETS		
234,870.00	Freehold Land & Property	NIL	NIL
		NIL	NIL
	SECURED CREDITORS		
(2,901.75)	Shire Leasing Plc	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
7,142.98	Book Debts	NIL	NIL
15,982.81	Cash at Bank	15,982.81	15,982.81
		15,982.81	15,982.81
	FLOATING CHARGE CREDITORS		
(15,000.00)	Mr Michael Andrew Ford	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(2.00)	Employees	NIL	NIL
(1,000.00)	Mr Micheael Andrew Ford	NIL	NIL
(8,168.73)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(587.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>230,336.31</b>		<b>15,982.81</b>	<b>15,982.81</b>
	REPRESENTED BY		
	Bank 2 - Current		15,982.81
			<b>15,982.81</b>

Neil Charles Money  
Administrator

## PRACTICE FEE RECOVERY POLICY FOR CBA BUSINESS SOLUTIONS LTD

### Introduction

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at [www.creditorinsolvencyguide.co.uk](http://www.creditorinsolvencyguide.co.uk). Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at [cba-insolvency.co.uk](http://cba-insolvency.co.uk). Alternatively, a hard copy may be requested from the offices of CBA Business Solutions. Please note that we have provided further details in this policy document.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn. If approval has been obtained for remuneration on a time costs basis, i.e. by reference to time properly spent by members of staff of the practice at our standard charge out rates, the time incurred will also be disclosed, whether drawn or not, together with the average, or "blended" rates of such costs. Under the legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated, and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

### Time cost basis

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6-minute units with supporting narrative to explain the work undertaken.

#### CBA Business Solutions Limited Current Charge Out Rates

Grade of Staff	Charge Out Rate per Hour £
Licensed Insolvency Practitioner:	315.00
Senior Manager	255.00
Manager	210.00
Senior Administrator	180.00
Administrator	150.00
Support Staff	90.00

The above information is required by Statement of Insolvency Practice No. 9

These charge-out rates charged are reviewed on 1 April each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration and Planning.
- Investigations.
- Realisation of Assets.
- Creditors.
- Trading
- Case specific matters.
- Distributions

In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and on new appointments we now only seek time costs for the following categories:

### **Trading**

When we seek time costs approval we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

### **Percentage basis**

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (*realisations and/or distributions*). Different percentages can be used for different assets or types of assets. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a percentage basis more often. A report accompanying any fee request will set out the potential assets in the case, the remuneration percentage proposed for any realisations and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval but must be disclosed to help put the remuneration request into context.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

### **Fixed fee**

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a fixed fee basis more often. A report accompanying any fee request will set out the set fee that we proposed to charge, and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval but must be disclosed to help put the remuneration request into context.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

### **Members' voluntary liquidations and Voluntary Arrangements**

The legislation changes that took effect from 1 October 2015 did not apply to members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

### **All bases**

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

### **Agent's Costs**

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes:

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

In new appointments made after 1 October 2015, the office holder will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

### **Disbursements**

In accordance with SIP 9 the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

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

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

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

Mileage	45p per mile
Photocopying	10p per sheet

#### **Appendix 4: Details of work to be undertaken in the Administration and subsequent Liquidation:**

##### **A. Work for which the Administrator is seeking to be remunerated on a fixed fee basis:**

###### Administration:

Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.  
Setting up physical/electronic case files (as applicable).  
Setting up the case on the practice's electronic case management system and entering data.  
Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment (as applicable).  
Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate).  
Preparing, reviewing and issuing proposals to the creditors and members.  
Filing the proposals at Companies House.  
Seeking approval of the proposals by way of a decision by correspondence.  
Reporting on the outcome of the approval of the proposals to the creditors, Companies House and the Court.  
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 reconciliations of the bank account containing estate funds.  
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 on the case by case administrators.  
Preparing, reviewing and issuing 6 month progress reports to creditors and members.  
Filing progress reports at Companies House.  
Preparing and filing VAT returns.  
Preparing and filing Corporation Tax returns.  
Seeking closure clearance from HMRC and other relevant parties.  
Preparing, reviewing and issuing final reports to creditors and members.  
Filing final reports at Companies House.  
Seeking legal advice on the validity of appointment  
Seeking a Court Order to enable a distribution to unsecured non-preferential creditors

###### Creditors:

Reviewing employment tribunal claims  
Seeking legal advice and liaising with solicitors concerning employment tribunal claims  
Obtaining information from the case records about employee claims.  
Corresponding with employees regarding their claims.  
Dealing with creditor correspondence, emails and telephone conversations regarding their claims.  
Maintaining up to date creditor information on the case management system.  
Issuing a notice of intended dividend and placing an appropriate gazette notice.  
Assessing validity of the floating charge  
Seeking legal advice on the validity of the floating charge

###### Investigations:

Recovering the books and records for the case.  
Listing the books and records recovered.  
Submitting an online 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



Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act.  
File noting and recording investigation decisions and strategy

Case Specific Matters:

The office holder must notify interested parties relating to the Company's pension scheme  
The office holder must take steps to close down any pension scheme.  
Liaising with pension agents  
Correspondence with pension agents, trustees of pension scheme, The Pension Regulator and the Pension Protection Fund.

**B. Work for which the Administrator is seeking to be remunerated on a percentage basis:**

Realisation of assets:

Arranging suitable insurance over assets.  
Regularly monitoring the suitability and appropriateness of any insurance cover in place.  
Corresponding with debtors and attempting to collect outstanding book debts.  
Instructing a quantity surveyor and / or debt collector to assist in book debt realisations  
Liaising with the quantity surveyor and / or debt collector  
*Liaising with the Director in relation to book debts and realisations*  
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 assist in the realisation of assets.  
Registering a caution in respect of freehold property owned by the Company  
Obtaining details from mortgagees/charge holders about debts secured over the Company's freehold  
Instructing solicitors to assist in the realisation of the freehold  
Liaising with the secured creditors over the realisation of the assets subject to a mortgagee or other charge.

Creditors:

Issuing a notice of intended dividend and placing an appropriate gazette notice.  
Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.  
Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.  
Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend.  
Paying tax deducted from the dividends paid to employees.  
Reviewing amounts due under the charge and making a distribution under the terms of the floating charge

**C. Work for which the Liquidator is seeking to be remunerated on a fixed fee basis:**

Administration:

Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.  
Setting up physical/electronic case files (as applicable).  
Setting up the case on the practice's electronic case management system and entering data.  
Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.  
Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate).  
Convening and holding decision procedures or general meetings of creditors and members (as applicable).

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 reconciliations of the bank account containing estate funds.  
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 on the case by case administrators.  
Preparing, reviewing and issuing annual progress reports to creditors and members.  
Filing returns at Companies House.  
Preparing and filing VAT returns.  
Preparing and filing Corporation Tax returns.  
Seeking closure clearance from HMRC and other relevant parties.  
Preparing, reviewing and issuing final reports to creditors and members.  
Filing final returns at Companies House.

Creditors:

Reviewing employment tribunal claims  
Seeking legal advice and liaising with solicitors concerning employment tribunal claims  
Obtaining information from the case records about employee claims.  
Corresponding with employees regarding their claims.  
Dealing with creditor correspondence, emails and telephone conversations regarding their claims.  
Maintaining up to date creditor information on the case management system.  
Issuing a notice of intended dividend and placing an appropriate gazette notice.  
Assessing validity of the floating charge  
Seeking legal advice on the validity of the floating charge

**D. Work for which the Liquidator is seeking to be remunerated on a percentage basis:**

Realisation of assets:

Instructing agents to value known assets.  
Liaising with agents to realise known assets.  
Instructing solicitors to assist in the realisation of assets.

Creditors:

Issuing a notice of intended dividend and placing an appropriate gazette notice.  
Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.  
Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.  
Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend.  
Paying tax deducted from the dividends paid to employees.

**Appendix 5: Estimate of expenses to be incurred in the Administration**

Bond:	£680.00 plus VAT
Statutory Advertising:	£231.00 plus VAT
Postage:	£62.16
Photocopying:	£115.20
Storage:	£45.62 plus VAT
Pension Assistance	£750.00 plus VAT
Mileage*	£106.80
Solicitors' Fees	£11,000 plus VAT
Agents' Fees	£6,000 plus VAT
Debt Collection Fees	£1,260.50 plus VAT
Accountants Fees	£1,000 plus VAT

**Total: £21,251.28 plus VAT**

\*Denotes category 2 disbursement

Expense	Rate
Postage	64p per letter small letter, £1.31 large letter
Photocopying	10p per sheet
Bond	£680.00 plus VAT for £250,000 Bond (this will increase should there be asset realisations in excess of £250,000)
Statutory Advertising	£77.00 plus VAT per advertisement
Storage Costs	£6.92 per box
Mileage	45p per mile, estimated that travel will be required and potential meetings with directors 106.80 miles estimated

Storage costs are calculated on the basis of the following rate:

Intake charge per box at £2.80 per box  
Collection from CBA Offices at 80p per box  
Per 27 Months storage at 32p per box  
Final pick and destruction costs at £3.00 per box

Type of expense	Estimated Amount £
Bonding - this is insurance required by statute that every officeholder has to obtain for the protection of each estate, with the premium being based on the value of the company's assets	£680.00 plus VAT
Statutory Advertising – various notices relating to the company have to be placed in the London Gazette	£231.00 plus VAT
Postage – circulation of statutory reports to creditors	£62.16
Copying – photocopying of statutory reports to creditors	£115.20
Storage of accounting records – the company's accounting records have to be stored by the officeholder	£45.62 plus VAT

Pension Assistance – the office holder must take steps to close the Company's pension scheme, which will require the assistance of an agent	£750.00 plus VAT
Travel expenses – mileage rates at 45p per mile, estimated at two return journeys to the Company's trading premises to view the Land	£106.80
Shakespeare Martineau LLP, solicitors – conveyancing of Land, review and investigations into employments claims, assessing validity of charge	£10,000 plus VAT
Clarke Wilmott LLP – assessing validity of appointment	£1,000 plus VAT
Agents' Fees – agents instructed to value and market the land for sale, based on fixed fee plus percentage of sale price	£6,000 plus VAT
Debt Recovery Bureau LLP, book debt collection agents – pursue book debt / retention on a percentage of realisations basis, being 15% or realisations plus VAT	£1,260.50 plus VAT
Accountants – Review Capital Gains Tax position following sale	£1,000 plus VAT
<b>Total estimated expenses</b>	<b>£21,251.28 plus VAT</b>

**Estimate of expenses to be incurred in the subsequent Liquidation**

Bond:	£680.00 plus VAT
Statutory Advertising:	£77.00 plus VAT
Postage:	£62.16
Photocopying:	£115.20
Storage:	£45.62 plus VAT
Solicitors' Fees	£1,000.00 plus VAT
<b>Total:</b>	<b>£1,979.98 plus VAT</b>

\*Denotes category 2 disbursement

Expense	Rate
Postage	64p per letter small letter, £1.31 large letter
Photocopying	10p per sheet
Bond	£680.00 plus VAT for £250,000 Bond (this will increase should there be asset realisations in excess of £250,000)
Statutory Advertising	£77.00 plus VAT per advertisement
Storage Costs	£6.92 per box
Mileage	45p per mile, estimated that travel will be required and potential meetings with directors 106.80 miles estimated

Storage costs are calculated on the basis of the following rate:

Intake charge per box at £2.80 per box  
Collection from CBA Offices at 80p per box  
Per 27 Months storage at 32p per box  
Final pick and destruction costs at £3.00 per box

Type of expense	Estimated Amount £
Bonding - this is insurance required by statute that every officeholder has to obtain for the protection of each estate, with the premium being based on the value of the company's assets	£680.00 plus VAT
Gazetting – various notices relating to the company have to be placed in the London Gazette	£77.00 plus VAT
Postage	£62.16
Copying	£115.20
Storage of accounting records – the company's accounting records have to be stored by the officeholder	£45.62
Shakespeare Martineau LLP, solicitors – assistance in adjudicating on creditors claims	£1,000.00 plus VAT
<b>Total estimated expenses</b>	<b>£1,979.98 plus VAT</b>

Proof of Debt – General Form

IN THE

HIGH COURT OF JUSTICE, BUSINESS AND PROPERTY COURTS IN  
BIRMINGHAM, INSOLVENCY & COMPANIES LIST (CHD)

Number:

CR-2019-006820

Name of Company in Administration:

SHEFFIELD & FORD (BUILDERS) LIMITED

Company Registration Number:

00737225

Date of Administration:

11 October 2019

1 Name of creditor

(If a company, please also provide the company  
registration number).

2 Correspondence address of creditor (including  
any email address)

3 Total amount of claim (£)  
(include any Value Added Tax)

4 If amount in 3 above includes (£)  
outstanding uncapitalised interest, state amount.

5 Details of how and when the debt was incurred.  
(If you need more space, attach a continuation  
sheet to this form)

6 Details of any security held, the value of the  
security and the date it was given.

7 Details of any reservation of title claimed in  
respect of goods supplied to which the debt  
relates.

8 Details of any document by reference to which  
the debt can be substantiated

9 Signature of creditor  
(or person authorised to act on the creditor's  
behalf)

10 Address of person signing if different from 2  
above

11 Name in BLOCK LETTERS:

12 Position with, or relation to, creditor

13 Date of signature

Admitted to vote for

Amount (£)

Date

Admitted for dividend for

Amount (£)

Date

Neil Money  
ADMINISTRATOR

Notes:

1. There is no need to attach them now but the office holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.

2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office holder. If completing on behalf of a company, please state your relationship to the company.