

AM10

Notice of administrator's progress report



Companies House

FRIDAY



A14 *A7HUCPSW* #269
02/11/2018
COMPANIES HOUSE

1 Company details

Company number 0 0 8 2 8 2 0 0
Company name in full George Hurst & Sons Limited

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

2 Administrator's name

Full forename(s) Gareth David
Surname Rusling

3 Administrator's address

Building name/number Kendal House
Street 41 Scotland Street
Post town Sheffield
County/Region
Postcode S 3 7 B S
Country

4 Administrator's name ①

Full forename(s) Joanne Louise
Surname Hammond

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

5 Administrator's address ②

Building name/number Kendal House
Street 41 Scotland Street
Post town Sheffield
County/Region
Postcode S 3 7 B S
Country

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

AM10

Notice of administrator's progress report

6 Period of progress report

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

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

Adam Mend.

X

Signature date

^d 3	^d 1	^m 1	^m 0	^y 2	^y 0	^y 1	^y 8
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AM10

Notice of administrator's progress report



Presenter information

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

Contact name **Joanne Louise Hammond**

Company name **Begbies Traynor (SY) LLP**

Address **3rd Floor**

Westfield House

Post town **60 Charter Row**

County/Region **Sheffield**

Postcode **S 1 3 F Z**

Country

DX

Telephone **0114 2755033**



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

George Hurst & Sons Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 13/04/2018 To 12/10/2018 £	From 13/04/2017 To 12/10/2018 £
	SECURED ASSETS		
185,000.00	Don Pottery & 16 Windermere	NIL	170,326.00
(88,000.00)	Natwest	NIL	(84,346.07)
55,000.00	26 Victoria Street	NIL	NIL
(55,000.00)	Messrs Dyson & Grierson	NIL	NIL
		<u>NIL</u>	<u>85,979.93</u>
	COSTS OF REALISATION		
	Property Sale Costs	446.67	1,344.03
	Legal Fees		
	Post Appointment Fees	NIL	7,942.00
	Post Appointment Disbursements	NIL	275.70
	Agents/Valuers Fees	NIL	5,060.00
	Irrecoverable VAT	NIL	2,653.14
	Gas	927.39	1,474.14
		<u>(1,374.06)</u>	<u>(18,749.01)</u>
	ASSET REALISATIONS		
19,600.00	Chattel Assets	NIL	10,575.48
	Furniture & Equipment	NIL	3,872.00
	Motor Vehicles	NIL	5,540.00
362,500.00	Book Debts	8,282.37	180,632.73
	Cash at Bank	NIL	9,529.92
	Utilities Refunds	NIL	245.50
	Sundry Receipts	NIL	238.70
		<u>8,282.37</u>	<u>210,634.33</u>
	COST OF REALISATIONS		
	Specific Bond	NIL	1,110.00
	Statement of Affairs Fee	NIL	3,000.00
	Administrators' Fees		
	Pre Appointment Fees	NIL	7,298.00
	Post Appointment Fees	14,144.00	139,144.00
	Debt Collection Costs	NIL	30,576.35
	Disbursements		
	Mileage	NIL	121.23
	Storage	380.12	710.32
	Postage	199.50	583.11
	Agents/Valuers Fees (1)		
	Post Appointment Fees	NIL	9,761.07
	Post Appointment Disbursements	NIL	1,753.30
	Legal Fees (1)		
	Post Appointment Fees	NIL	9,941.00
	Post Appointment Disbursements	NIL	110.00
	Subcontractors	NIL	225.00
	Statutory Advertising		
	Advertising	NIL	70.00
	Insurance of Assets	NIL	1,652.55
	Wages & Salaries	NIL	577.01
	Bank Charges	7.00	37.00
	Employee Advice	NIL	3,854.75
		<u>(14,730.62)</u>	<u>(210,524.69)</u>
	PREFERENTIAL CREDITORS		
(52,056.44)	RPO re Arrears/Holiday Pay	NIL	39,845.72
(15,387.24)	Employees re Arrears/Hol Pay	NIL	8,057.02

George Hurst & Sons Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 13/04/2018 To 12/10/2018 £	From 13/04/2017 To 12/10/2018 £
	PAYE/NIC deductions from pref divide	NIL	3,173.68
		NIL	(51,076.42)
	UNSECURED CREDITORS		
(1,728,608.25)	Trade Creditors	NIL	NIL
(24,033.69)	Employees	NIL	NIL
(545,123.80)	RPO	NIL	NIL
(104,602.00)	HMRC (VAT)	NIL	NIL
Uncertain	Messrs. Dyson & Grierson	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(10,000.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(2,000,711.42)		(7,822.31)	16,264.14
	REPRESENTED BY		
	Vat Receivable		41,404.68
	Bank 1 Current		15,401.30
	Vat Payable		(26,921.98)
	Vat Control Account		(13,658.86)
	Vat Receivable Fixed		39.00
			16,264.14

Hammond

Joanne Louise Hammond
Joint Administrator

Gareth David Rusling and Joanne Louise Hammond were appointed joint administrators on 13 April 2017

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability.

George Hurst & Sons Limited (In Administration)

Progress report of the joint administrators

Period: 13 April 2018 to 12 October 2018

Important Notice

This progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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- ❑ Expenses
- ❑ Assets that remain to be realised and work that remains to be done
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 - 2 Time costs and disbursements
 - 3 Statement of administrators' expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	George Hurst & Sons Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 13 April 2017
"the administrators" "we" "our" and "us"	Gareth David Rusling of Begbies Traynor (SY) LLP, Kendal House, 41 Scotland Street, Sheffield, S3 7BS, Sheffield.North@Begbies-Traynor.com and Joanne Louise Hammond of Begbies Traynor (SY) LLP Kendal House, 41 Scotland Street, Sheffield, S3 7BS
"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 Insolvency Act 1986

2. STATUTORY INFORMATION

Name of Company	George Hurst & Sons Limited
Trading name(s):	None
Date of Incorporation:	20 November 1964
Company registered number:	00828200
Company registered office:	Kendal House, 41 Scotland Street, Sheffield, S3 7BS

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators.	Gareth David Rusling, a Licensed Insolvency Practitioner of Begbies Traynor (SY) LLP, Kendal House, 41 Scotland Street, Sheffield, S3 7BS, Sheffield.North@Begbies-Traynor.com and Joanne Louise Hammond, a Licensed Insolvency Practitioner of Begbies Traynor (SY) LLP, Kendal House, 41 Scotland Street, Sheffield, S3 7BS
Date of administrators' appointment:	13 April 2017
Date of administrators' resignation:	Not applicable
Court:	High Court of Justice, Chancery Division. Leeds District Registry
Court Case Number:	394 of 2017
Person(s) making appointment / application:	Norman Fanthorpe in his capacity as director of the Company
Acts of the administrators:	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EC Regulation on Insolvency Proceedings	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No. 1346/2000 applies to these proceedings which are 'main non EC proceedings' within the meaning of Article 3 of the Regulation.
Extensions of the administration period	The administration period was extended with the consent of creditors for a period of 12 months.

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 13 April 2018 to 12 October 2018.

Receipts

- 4.1 As mentioned in the previous report, Leslie Keats, specialist Quantity Surveyors, are instructed to assist with the collection of the contractual debts. During the period of this report the sum of £8,282.37 has been received in this respect.

The best case scenario based on realisations that Leslie Keats have provided are to the sum of £500,000.00 and the worst case scenario is £250,000.00.

Payments

- 4.2 The sum of £446 67 has been paid to Doncaster Council in respect of council tax at Windermere Close for the period 05 June 2017 to 31 October 2017.
- 4.3 British Gas Business have been paid the sum of £927.39 in respect post appointment Gas usage at Don Pottery Yard.
- 4.4 We have drawn remuneration of £14,144.00 in accordance with the fee resolution and fee estimate approved. Details of this can be found in section 6 of this report.
- 4.5 We have drawn disbursements of £579 62 which are made up of £380.12 for storage and archiving and £199.50 postage.
- 4.6 Bank charges of £6.00 have been applied to our 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 our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we 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 our appointment. The details below relate to the work undertaken in the period of the report only Our previous reports contain details of the work undertaken since our appointment.

General case administration and planning

We have incurred time periodically reviewing the case to ascertain what work remains outstanding and reviewing the Administration strategy to ensure they are compliant with the statutory requirements and that sufficient case progression is being made to bring the Administration to a conclusion in a timely manner. These reviews are also aimed to highlight any changes which are required to the strategy we are pursuing.

In addition, the case specific diary has been monitored and updated regularly to ensure that all statutory dates are met.

Time has been spent locating the Company's books and records so we can resolve ongoing creditor and debtor matters.

Effective case management and planning benefits the Company's creditors as it ensures that the Administration is progressed in a strategic manner. Extracting and maintaining relevant information enables us to perform our duties correctly and efficient planning will ensure all assets are realised for the benefit of creditors.

Compliance with the Insolvency Act, Rules and best practice

Time has been incurred circulating the six month progress report to creditors which provides an update as to what progression has been made and how we anticipate we will progress the administration further Included with this the necessary documentation was circulated to the creditors to obtain approval of the extension of the administration and its fees.

Regular bank reconciliation of the account have been carried out to ensure all receipts and payments are allocated correctly.

In addition, time has been spent performing regular banking duties, writing cheques, invoicing and posting these transactions.

This work is not financially beneficial to the creditors but the work is required by the Insolvency Act and Rules.

Investigations

No time was spent on investigative work during this period.

Realisation of assets

We have incurred time liaising with Leslie Keats in respect of the collection of the contractual debts.

This work has been financially beneficial as the secured creditors have been paid. In addition, the preferential creditors have received an interim dividend.

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

We have incurred time dealing with creditor queries as and when they have been received.

In addition, the preferential creditor claims have been reconciled and an interim distribution has been made.

This has been financially beneficial as the preferential creditors have received an interim dividend.

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

Time has been spent preparing and submitting post appointment VAT and Corporation Tax returns as and when they fall due

There is no financial benefit to the creditors but the returns are a statutory requirement.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our statement of proposals.

Secured creditors

As detailed in the previous report, the Company has two secured creditors.

Natwest hold a fixed and floating charge debenture over the Company's assets and were owed £84,346.07.

Dyson & Grierson hold a fixed charge over the property situated at 26 Victoria Street to support the indebtedness due to the Company's former owner.

Preferential creditors

Preferential claims of employees for arrears of wages, salary and holiday pay were estimated at £67,443.68.

Unsecured creditors

Claims of unsecured creditors were estimated at £2,402,367.74

On the basis of realisations to date and estimated future realisations, we estimate an outcome for each class of the Company's creditors as follows:

Secured creditors

NatWest have been repaid their indebtedness in full.

Dyson & Grierson to date have been paid the sum of £32,946.00. It is not anticipated that a further secured distribution will be available to Dyson & Grierson and therefore the balance of their claim is likely to be unsecured.

Preferential creditors

A distribution of 75p in the £ has been paid on 1 March 2018. We are hopeful that a further distribution will be paid in due course but this is dependant upon debtor recoveries.

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

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the administrator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property,
- ☐ 20% of net property thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

An administrator will not be required to set aside the prescribed part of net property if.

- ☐ the net property is less than £10,000 and the administrator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the administrator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

In these circumstances, as NatWest have been repaid in full under their fixed charge, we do not envisage a floating charge distribution and therefore the prescribed part provision will not apply

Unsecured creditors

We remain hopeful that a distribution to the unsecured creditors will be available in due course but this is wholly dependant on further realisations in respect of contract recoveries.

Effect of administration on limitation periods under the Limitation Act 1980

As we have previously confirmed, the Limitation Act 1980 continues to apply to all debts due from the Company. Case law indicates that where a company is in administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Company becoming time-barred during the course of the administration, we strongly recommend that you seek independent legal advice on the options available to you to prevent this.

6. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by approval of the creditors on 15 June 2017 obtained via a decision procedure by reference to the time properly given by us and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (SY) LLP in attending to matters as set out in the fees estimate. We are also authorised to draw disbursements for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, details of which accompanied the Statement of proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report.

Our original fees estimate was increased by £50,000.00 by the approval of creditors which was obtained by correspondence. This makes the total amount of our approved estimate £150,000 00.

Our time costs for the period from 13 April 2018 to 12 October 2018 amount to £12,697.50 which represents 59.2 hours at an average rate of £214.48 per hour.

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

- ☐ Time Costs Analysis for the period 13 April 2018 to 12 October 2018
- ☐ Begbies Traynor (SY) LLP's charging policy

To 12 October 2018, we have drawn the total sum of £139,144.00 on account of our remuneration, against total time costs of £140,074.50 incurred since the date of our appointment.

Time Costs Analysis

In addition to the time costs information disclosed at Appendix 2 for the period of this report, a cumulative Time Costs Analysis for the period from 13 April 2017 to 12 October 2018 is also attached at Appendix 2.

Please note that each analysis provides details of the work undertaken by us and our staff following our appointment only.

As can be seen from the information above, we are fairly close to the limit of our increased fees estimate. For the avoidance of any doubt, we have not drawn any remuneration in excess of the level approved.

Disbursements

To 12 October 2018, we have also drawn disbursements in the sum of £1,414.66.

Why have subcontractors been used?

The choice of advisers and agents was based on our knowledge of the professional advisers' experience and known ability to perform the type of work to be undertaken and also taking into account the complexity and nature of the assignment and the basis of their fee arrangements.

Category 2 Disbursements

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been drawn during the period of this report in accordance with the approval obtained in the total sum of £579.62 are as follows:

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Postage	380.12
Archiving	199.50
Total	579.62

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2017' which provides guidance on creditors' rights on how to approve and monitor an Administrator'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 our office and we will arrange to send you a copy.

7. ADMINISTRATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3. A cumulative statement of expenses also appears at Appendix 3 which details the expenses incurred since the date of our appointment.

Expenses actually incurred compared to those that were anticipated

Creditors will recall that we issued a revised estimate that the expenses of the administration totalling £126,562.75. These expenses have not been exceeded.

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?

Leslie Keats remain instructed to continue collecting the outstanding ledger. As advised in section 4 of this report, best case scenario realisations will be £500,000.00 worse case scenario realisations will be £250,000.00.

As and when further contract debt realisations are achieved the final distribution will be made to the preferential creditors.

If funds permit, we will take the necessary steps to place the Company into Creditors' Voluntary Liquidation to facilitate a distribution to the unsecured creditors.

General case administration and planning

We will continue to progress the case which includes carrying out periodic case reviews to ensure progress is being made.

We will continue to ensure decisions made in the Administration are documented and reflected within the case file.

Effective case management and planning benefits the Company's creditors as it ensures that the Administration is progressed in a strategic manner.

Compliance with the Insolvency Act, Rules and best practice

We will incur time preparing six monthly progress reports and a final report as and when required.

In addition, time will be spent preparing the necessary documents to place the company into a Creditors Voluntary Liquidation.

Time will also be spent periodically reviewing the bond to ensure that there is adequate cover in place.

In addition, we will continue to carry our regular bank reconciliation of our account.

There is no financial benefit to the creditors, however, the work is required by the Insolvency Act and Rules.

Investigations

It is not anticipated that any further time will be recorded against this category.

Realisation of assets

We will continue to liaise with Leslie Keats in respect of the collection of the debtor ledger.

This work is financially beneficial as it will lead to recoveries for the benefit of the creditors.

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

We will incur time dealing with creditor queries as and when received.

As and when further funds permit we will distribute the outstanding amount due to the preferential creditors.

This work will be financially beneficial as the preferential creditors will receive a dividend if realisations are made

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

We will continue to incur time preparing and submitting the post appointment VAT returns as and when they fall due.

There is no financial benefit to the creditors but the returns are a statutory requirement.

How much will this further work cost?

It is anticipated that further work will cost in the region of £9,925.50.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the revised estimate of anticipated expenses attached at Appendix 3.

9. OTHER RELEVANT INFORMATION

Report on Directors conduct

As detailed in our statement of proposals, we have a duty to submit a report to the Department for Business, Energy and Industrial Strategy on the conduct of the directors. We have complied with our duties in this respect.

Extension of administration

The administration has been extended for a period of 12 months with the consent of creditors.

Proposed exit route from administration

The exit from Administration will be dependent upon whether or not funds become available from the collection of the contract debts for the Company's unsecured creditors.

In circumstances where we are of the opinion that the total amount which each secured creditor of the Company is likely to receive will be paid or set aside, and that a distribution will be made to the unsecured creditors of the Company then our proposed exit route will be via creditors voluntary liquidation.

We do not have the power to make a distribution to unsecured creditors in the Administration without the permission of court. It is considered that the court will only grant such permission in exceptional circumstances where the normal course for making distributions to unsecured creditors in a voluntary liquidation is inappropriate. Additionally, there may be matters for enquiry concerning a company's affairs which are not within the scope of an administrator's powers and which can only be properly dealt with by a liquidator.

Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to implement the provisions of Paragraph 83 of Schedule B1 to the Act whereby on the registration of a notice sent to the Registrar of Companies, our appointment as administrators shall cease to have effect and the Company will automatically be placed into creditors' voluntary liquidation. Paragraph 83(7) provides:

The liquidators for the purpose of the winding up shall be-

- (a) a person nominated by the creditors of the company in the prescribed manner and within the prescribed period, or
- (b) if no person is nominated under paragraph (a), the administrators.

In circumstances where we consider that the Company will have insufficient property to enable a distribution to be made to unsecured creditors our proposed exit route will be via the dissolution of the Company. Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to implement the provisions of Paragraph 84 of Schedule B1 to the Act. Under these provisions, on the registration of a notice sent by us to the Registrar of Companies, our appointment as administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

Where an administrator sends such a notice of dissolution to the Registrar of Companies, he must also file a copy of the notice with the court and send a copy to each creditor of the Company, and on application by any interested party the court may suspend or disapply the automatic dissolution of the Company.

However, it may transpire that it is not possible to finalise the administration as envisaged within one year of the date of our appointment. In particular, this situation will arise if we are not able to conclude the collection of contractual debts. Yet Paragraph 76 of Schedule B1 to the Act provides that the appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it

takes effect. However, our term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding twelve months. It may therefore become necessary at some future time for us to seek creditor consent to extending the period of the administration for up to a further twelve months following the anniversary of our appointment in order to ensure that the objective of the administration can be fully achieved.

Use of personal information

Please note that in the course of discharging our statutory duties as Joint Administrators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we 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 our 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 us.

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 we provide further information about our remuneration or expenses (other than pre-administration costs) 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 an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

11. CONCLUSION

We will report again in approximately six months time or at the conclusion of the administration, whichever is the sooner.



J L Hammond
Joint Administrator

Dated: 31 October 2018

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 13 April 2018 to 12 October 2018

George Hurst & Sons Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

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55,000.00	26 Victoria Street	NIL	37,500.00
(55,000.00)	Messrs. Dyson & Grierson	NIL	(32,946.00)
		NIL	90,533.93
	COSTS OF REALISATION		
	Property Sale Costs	446.67	1,344.03
	Legal Fees		
	Post Appointment Fees	NIL	9,087.00
	Post Appointment Disbursements	NIL	526.90
	Agents/Valuers Fees	NIL	7,710.00
	Irrecoverable VAT	NIL	3,412.14
	Gas	927.39	1,474.14
		(1,374.06)	(23,554.21)
	ASSET REALISATIONS		
19,600.00	Chattel Assets	NIL	10,575.48
	Furniture & Equipment	NIL	3,872.00
	Motor Vehicles	NIL	5,540.00
362,500.00	Book Debts	8,282.37	180,632.73
	Cash at Bank	NIL	9,529.92
	Utilities Refunds	NIL	245.50
	Sundry Receipts	NIL	489.90
		8,282.37	210,885.53
	COST OF REALISATIONS		
	Specific Bond	NIL	1,110.00
	Statement of Affairs Fee	NIL	3,000.00
	Administrators' Fees		
	Pre Appointment Fees	NIL	7,298.00
	Post Appointment Fees	14,144.00	139,144.00
	Debt Collection Costs	NIL	30,576.35
	Disbursements		
	Mileage	NIL	121.23
	Storage	380.12	710.32
	Postage	199.50	583.11
	Agents/Valuers Fees (1)		
	Post Appointment Fees	NIL	9,761.07
	Post Appointment Disbursements	NIL	1,753.30
	Legal Fees (1)		
	Post Appointment Fees	NIL	9,941.00
	Post Appointment Disbursements	NIL	110.00
	Subcontractors	NIL	225.00
	Statutory Advertising		
	Advertising	NIL	70.00
	Insurance of Assets	NIL	1,652.55
	Wages & Salaries	NIL	577.01
	Bank Charges	7.00	37.00
	Employee Advice	NIL	3,854.75
		(14,730.62)	(210,524.69)
	PREFERENTIAL CREDITORS		
(52,056.44)	RPO re Arrears/Holiday Pay	NIL	39,845.72
(15,387.24)	Employees re Arrears/Hol Pay	NIL	8,057.02

George Hurst & Sons Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 13/04/2018 To 17/10/2018 £	From 13/04/2017 To 17/10/2018 £
	PAYE/NIC deductions from pref divide	NIL	3,173.68
		NIL	(51,076.42)
	UNSECURED CREDITORS		
(1,728,608.25)	Trade Creditors	NIL	NIL
(24,033.69)	Employees	NIL	NIL
(545,123.80)	RPO	NIL	NIL
(104,602.00)	HMRC (VAT)	NIL	NIL
Uncertain	Messrs. Dyson & Grierson	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(10,000.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(2,000,711.42)		(7,822.31)	16,264.14
	REPRESENTED BY		
	Vat Receivable		862.84
	Bank 1 Current		15,401.30
			16,264.14

Joanne Hammond

Joanne Louise Hammond
Joint Administrator

TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (SY) LLP's charging policy;
- b. Time Costs Analysis for the period from 13 April 2018 to 12 October 2018 and
- c. Cumulative Time Costs Analysis for the period from 13 April 2017 to 12 October 2018.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

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

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

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

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her 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):

- 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, may also to be charged to the case (subject to approval):

Instruction of BTG Corporate Solutions to undertake review of debts due and pursue accordingly. Their charges will be equivalent to 10% of realisations and disbursements.

Instruction of Eddisons Commercial Limited to provide assistance with selling the Company's assets. Their charges will be equivalent to 10% of realisations.

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 forecasted cost of insurance for the 3 month period immediately following appointment is £350 inclusive of Insurance Premium Tax. 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

Additional payments received by Eddisons Commercial Limited from purchasers where assets are disposed of by way of auction

In addition to the charges of Eddisons Commercial Limited detailed above for providing the services to the office holder, where any machinery and business assets (other than freehold/leasehold property) are disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's premium, equivalent to 15% of the successful bid. Where any freehold/leasehold property is disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's administration fee, in the sum of £600. It is standard auction industry practice for a buyer's premium and buyer's administration fee to be charged. The buyer's premium and buyer's administration fee is paid by the purchaser of the assets and is not paid by the office holder from the assets of the estate.

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)
	1 May 2011 – until further notice
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	60 - 110

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.

SIP9 (George Hurst & Sons Limited - Administration - 91GE197 ADM - Time Costs Analysis From 13/04/2018 To 12/10/2018

Client Name	Consultant/Partner	Director	Sr. Mgr	Mgr	Asst Mgr	Sr Admin	Admin	Jr Admin	Support	Total Hours	Temp Cost	Average Hourly Rate
General Case Administration and Planning	Case planning	0.5	0.4		4.4					5.3	1,237.50	233.49
	Administration		6.9		2.4	2.6	0.4	0.9	3.5	16.7	3,680.50	220.99
	Total for General Case Administration and Planning:	0.5	7.3		6.8	2.6	0.4	0.9	3.5	22.0	4,928.00	224.00
	Compliance with the Insolvency Act, Rules and best practice											0.00
	Appointment											0.00
	Banking and Bonding		0.4		0.6	0.1		0.7	6.1	7.9	1,028.50	128.94
	Case Closure											0.00
	Statutory reporting and statement of affairs											0.00
	2.1				1.9	5.1		4.3	0.8	14.2	2,527.50	177.99
	Total for Compliance with the Insolvency Act, Rules and best practice:		2.5		2.5	5.2		5.0	6.8	22.1	3,554.00	160.81
Investigations	CCDA and Investigations											0.00
	Total for Investigations:											0.00
	Realisation of assets											0.00
	Debt collection		6.3		1.5					7.8	2,481.00	316.08
	Property, business and asset sales											0.00
	Retention of Title/Third party assets											0.00
	Total for Realisation of assets:		6.3		1.5					7.8	2,481.00	316.08
	Trading											0.00
	Total for Trading:											0.00
	Secured											0.00
Dealing with all creditors (including employees), correspondence and distributions	Others		3.5		0.2	0.4		1.1		5.2	1,439.50	276.83
	Creditors committee											0.00
	Total for Dealing with all creditors (including employees), correspondence and distributions:		3.5		0.2	0.4		1.1		5.2	1,439.50	276.83
	Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel											0.00
	Seeking decisions of creditors											0.00
	Meetings											0.00
	Other											0.00
	Tax				0.3	0.2	0.9	0.2	0.5	2.1	285.00	140.48
	Litigation											0.00
	Total for Other matters:				0.3	0.2	0.9	0.2	0.5	2.1	285.00	140.48
Total time cost by staff grade	0.5		19.6		11.3	8.4	1.3	7.2	10.9	59.2		
	197.50		6,792.00		2,318.50	1,470.00	175.50	792.00	984.00		12,697.50	
	Average hourly rate £	395.00	345.00	0.00	205.00	175.00	135.00	110.00	90.28		214.48	
	Total fees drawn to date £										0.00	

SIP9 George Hurst & Sons Limited - Administration - 91GE197.ADM : Time Costs Analysis From 13/04/2017 To 12/10/2018

Staff Grade	Consultant/Partner	Director	Sen Mngt	Mngt	Asst Mngt	Sen Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case Planning	0.5	2.2		4.4	2.0		2.5		11.6	2,493.50	214.09
	Administration		61.5		2.4	15.1	7.9	4.2	15.2	106.3	26,792.50	252.05
	Total for General Case Administration and Planning	6.5	63.7		6.6	17.1	7.9	6.7	15.2	117.9	29,276.00	248.31
	Appointment	5.2										
	Banking and Bonding		9.3		0.6	1.7	6.9	0.9	28.4	40.3	7,916.00	193.89
	Case Closure											
	Statutory reporting and statement of affairs	0.8	24.8		1.9	26.1		4.3	15.8	73.7	15,250.00	206.92
	Total for Compliance with the Insolvency Act Rules and best practice	6.0	34.1	0.5	2.5	27.8	6.9	5.2	44.2	127.2	25,220.00	198.27
	CDAs and investigations	0.7	7.9			2.2		0.4	0.3	11.5	3,449.00	299.91
	Total for Investigations:	0.7	7.9			2.2		0.4	0.3	11.5	3,449.00	299.91
Realisation of assets	Debt collection	1.4	50.4		1.5	5.1		0.4	0.3	11.6	3,448.00	299.91
	Property, business and stock sales	16.9	72.6			1.0				90.5	31,897.50	352.46
	Retention of title/third party assets		3.7			0.6				4.3	1,381.50	321.29
	Total for Realisation of assets	18.3	126.7		1.5	6.7				153.2	32,420.00	342.17
	Trading											
	Total for Trading:											0.00
	Secured											0.00
	Others	5.9	60.1		0.2	7.9	12.5	26.1	4.0	116.7	29,287.00	250.96
	Creditors committee											0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions	6.8	60.1		0.2	7.9	12.5	26.1	4.0	116.7	29,287.00	250.96
Other matters which includes seeking declarations of creditors, meetings, tax, litigation, pensions and travel	Seeking declarations of creditors											
	Meetings											0.00
	Other											0.00
	Tax											0.00
	Disputes	1.6			0.3	0.2	3.9	0.2	0.5	5.1	700.00	137.25
	Total for Other matters:	1.6			0.3	0.2	3.9	0.2	0.5	5.1	700.00	137.25
	Total hours by staff grade	33.0	292.5		11.3	61.9	31.2	38.6	64.2	533.2	1,333.00	168.61
	Total time cost by staff grade	13,035.00	100,912.50		132.50	10,832.50	4,212.00	4,246.00	5,287.00		140,984.00	
	Average hourly rate £	395.00	345.00	0.00	265.00	175.00	135.00	110.00	82.51			264.41
	Total fees drawn to date £										0.00	

STATEMENT OF ADMINISTRATORS' 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				
Property Sale Costs	Doncaster Council	446.67	446.67	-
Gas	British Gas Business	927.39	927.39	-
Bank Charges	Svenska Handelsbanken AB (publ)	6.00	6.00	-
Postage	Royal Mail	380.12	380.12	-
Storage/Archiving	Restore	199.50	199.50	-

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Property Sale Costs	Clarius Business Services Doncaster Council	1,344.03
Legal Fees	Lupton Fawcett	19,028.00
Legal Disbursements	Lupton Fawcett	636.90
Storage	Restore	529.70
Gas	Opus Energy British Gas Business	1,474.14
Debt Collection Costs	Leslie Keats	31,023.02
Postage	Royal Mail	763.73
Employee Advice	UKELC	3,754.75
Statutory Advertising	TMP (UK) Ltd	70.00
Bank Charges	Svenska Handelsbanken AB (publ)	36.00
Insurance	Eddisons	1,652.55
Agents Fees	Eddisons	17,471.07
Agents Disbursements		1,753.30
Bond	Willis	1,110.00
Subcontractors	David White associates	225.00