

In accordance with
Rule 3.60 of the
Insolvency (England
& Wales) Rules 2016
& Paragraph 83(3) of
Schedule B1 to the
Insolvency Act 1986.

AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

WEDNESDAY



A22 *A82MG5DF* #63
03/04/2019
COMPANIES HOUSE

1 Company details

Company number 00828200
Company name in full George Hurst & Sons Limited

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

2 Court details

Court name High Court of Justice, Chancery Division. Leeds
District Registry

Court case number 3942017

3 Administrator's name

Full forename(s) Gareth David
Surname Rusling

4 Administrator's address

Building name/number Kendal House
Street 41 Scotland Street

Post town Sheffield

County/Region

Postcode S37BS

Country

AM22

Notice of move from administration to creditors' voluntary liquidation

10 Proposed liquidator's name^①

Full forename(s) Joanne Louise

Surname Hammond

Insolvency practitioner number 1 7 0 3 0

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

11 Proposed liquidator'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 liquidator
Use this section to tell us about another liquidator.

12 Period of progress report

From date 1 3 1 0 2 0 1 8

To date 2 9 0 3 2 0 1 9

13 Final progress report


☒ I have attached a copy of the final progress report.

14 Sign and date

Administrator's signature

Signature

X



X

Signature date 2 9 0 3 2 0 1 9

AM22

Notice of move from administration to creditors' voluntary liquidation



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 **Callum Hartley**

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 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 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 13/10/2018 To 29/03/2019 £	From 13/04/2017 To 29/03/2019 £
	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	37,500.00
(55,000.00)	Messrs. Dyson & Grierson	NIL	(32,946.00)
		NIL	90,533.93
	COSTS OF REALISATION		
	Property Sale Costs	NIL	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	NIL	1,474.14
		NIL	(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	12,702.64	193,335.37
	Cash at Bank	NIL	9,529.92
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	Sundry Receipts	NIL	489.90
		12,702.64	223,588.17
	COST OF REALISATIONS		
	Specific Bond	NIL	1,110.00
	Administrators' Fees		
	Pre Appointment Fees	NIL	7,298.00
	Post Appointment Fees	4,558.00	143,702.00
	Debt Collection Costs	NIL	30,576.35
	Disbursements		
	Mileage	NIL	121.23
	Storage	255.52	965.84
	Postage	231.76	814.87
	Agents/Valuers Fees (1)		
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	Post Appointment Disbursements	NIL	1,753.30
	Legal Fees (1)		
	Post Appointment Fees	1,407.50	11,348.50
	Post Appointment Disbursements	NIL	110.00
	Accountants Fees	NIL	3,000.00
	Subcontractors	NIL	225.00
	Statutory Advertising		
	Advertising	NIL	70.00
	Insurance of Assets	NIL	1,652.55
	Wages & Salaries	NIL	577.01
	Bank Charges	5.40	42.40
	Employee Advice	NIL	3,854.75
		(6,458.18)	(216,982.87)
	PREFERENTIAL CREDITORS		
(52,056.44)	RPO re Arrears/Holiday Pay	13,281.91	53,127.63
(15,387.24)	Employees re Arrears/Hol Pay	2,912.13	10,969.15

Gareth David Rusling and Joanne Louise Hammond 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)

Final Progress Report of the joint administrators

Period: 13 October 2018 to 29 March 2019

Important Notice

This final 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.

Contents

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- ☐ Remuneration and disbursements
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 - 2. Summary of administrators' proposals, including major amendments to, and deviations from them
 - 3. Time costs and disbursements
 - 4. Statement of 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", "us"	Gareth David Rusling of Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row , Sheffield , S1 3FZ, and Joanne Louise Hammond of Begbies Traynor (SY) LLP 3rd Floor, Westfield House, 60 Charter Row , Sheffield , S1 3FZ,
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act.

2. 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:	Don Pottery Yard, Rowms Lane, Swinton, Mexborough, S64 8AA

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of administrators:	Gareth David Rusling, a Licensed Insolvency Practitioner of Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row , Sheffield , S1 3FZ, and Joanne Louise Hammond, a Licensed Insolvency Practitioner of Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row , Sheffield , S1 3FZ,
Date of appointment:	13 April 2017
Date of 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 October 2018 to 29 March 2019.

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 £12,702.64 has been received in this respect.

Leslie Keats have indicated that on a best case basis, realisations are anticipated to total £450,000 and £250,000 on a worst case scenario basis.

Payments

- 4.2 The Joint Administrators have drawn remuneration of £4,558.00 in accordance with the approved fee estimate.
- 4.3 The Joint Administrators have drawn disbursements of £487.28 in relation to archiving and posting.
- 4.4 Legal fees of £1,407.50 have been paid to Irwin Mitchell LLP for their work on the case in supporting Leslie Keats
- 4.5 Bank Charges of £5.40 have been applied to the Joint Administrators' bank account.
- 4.6 The preferential creditors have been paid a further distribution of 25 pence in the pound on 19 February 2019 in the total of £16,194.04.
- 4.7 HMRC have been paid a sum of £831.50 for the PAYE/NIC deductions arising from distributing to the preferential creditors.

Payments

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 3. 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.

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.

Regular banking duties have been performed including posting, coding and performing regular reconciliations of the case bank account.

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

Investigations

A small amount of time has been spent reviewing the creditor details and reconciling that with Companies House.

There has been no financial benefit to creditors, however the work is done to ensure that creditors receive all documents sent to them.

Realisation of assets

Time has been spent liaising with Leslie Keats in relation to the progress of the recovery of the Company's book debts.

This has been financial beneficial to creditors as these realisations have allowed a preferential distribution to be made.

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, a further distribution to the preferential creditors has been made.

This has been financially beneficial as the preferential creditors have received a further dividend.

Other matters which includes seeking decision 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. OUTCOME FOR CREDITORS

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, of the freehold properties, Natwest have been repaid in full under their fixed charge..

Messrs Dyson & Grierson held a fixed charge over the property situated at 26 Victoria Street to support the indebtedness due to the Company's former owner. They have also received a distribution following the sale of this property. The shortfall due to Messrs Dyson & Grierson will fall as an unsecured claim.

Preferential creditors

Dividends totalling 100 pence in the £1 have been paid to the preferential creditors as follows:

Dividend	Date of Dividend	Amount (pence in £)
First	1 March 2018	75
Second	19 February 2019	25

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

Details of how the prescribed part is calculated have previously been provided in our statement of proposals and in previous progress reports.

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 following receipt of further realisations in the collection of complex construction debts. A number of settlement agreements are at an advance stage in negotiations and we are hopeful further realisations will be available very shortly.

Exit from administration

Once the Notice of move from administration to creditors' voluntary liquidation (Form AM22) has been registered at Companies House (which we anticipate shortly), our appointment as administrators will cease to have effect and the Company will be deemed to be subject to creditors' voluntary liquidation with the former administrators acting in the capacity as joint liquidators of the Company.

6. ADMINISTRATORS' PROPOSALS

Attached at Appendix 2 is a summary of our proposals as approved by decision of creditors via deemed consent procedure.

7. SUMMARY OF STEPS TAKEN DURING THE ADMINISTRATION

After reviewing the Company's financial position, it was concluded that due to the timing of debtor payments, the Company's overdraft facility had been significantly reduced and therefore it was the most advantageous time to place the Company into an Administration to secure a maximum return to the unsecured creditors. The Company ceased to trade on the date of appointment.

The Administrators immediately instructed Leslie Keats to undertake a full review of the debtor ledger, applications, retentions and work in progress. The Company's Quantity Surveyors worked with Leslie Keats for a short period of time to ensure they had all relevant information to enable the debts to be collected.

Leslie Keats are currently liaising with all debtors and are collecting the outstanding balances, to date the sum of £193,335.37 has been received.

Eddisons Commercial Limited's ("Eddisons") Plant & Machinery team who are part of the Begbies Traynor Group were instructed to collate the Company's chattel assets and offer these for sale via an onsite auction. The auction concluded on 19 May 2017 and the sum of £19,600 was realised.

After the sale of the Company's chattel assets, the former trading premises' were cleared and valued for sale by Eddisons' Property Valuation Team.

The sale of Don Pottery Yard, Swinton, Mexborough concluded on 22 September 2017 for £110,000.00. The property at 26 Victoria Street, Mexborough was also sold for the sum of £37,500.00 on 7 September 2017. In addition, the final property at 16 Windermere Close, Mexborough was sold on 1 November 2017 for a total of £60,500.00.

Following the sale of the above properties, Natwest was paid in full and released their charge and Dyson & Grierson, who had a charge over 26 Victoria Street was paid the sum of £32,946.00.

Following the realisations of part of the Company's debtor ledger, the preferential creditors were paid in full.

The collection of the Company's book debts are still ongoing and the Joint Administrators have spent time liaising with Leslie Keats and providing information to support their collections of the Company's debtor ledger. As mentioned above, we hope to conclude a number of settlement agreements shortly.

8. 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 following the extension of the administration period, 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 October 2018 to 29 March 2019 amount to £9,311.50 which represents 42.8 hours at an average rate of £217.56 per hour.

The following further information in relation to our time costs and disbursements is set out at Appendix 3:

- ☐ Time Costs Analysis for the period 13 October 2018 to 29 March 2019
- ☐ Begbies Traynor (SY) LLP's charging policy

To 29 March 2019, we have drawn the total sum of £143,702.00 on account of our remuneration, against total time costs of £150,295.50 incurred since the date of our appointment.

In addition to the time costs information disclosed at Appendix 3 for the period since our last progress report, a cumulative Time Costs Analysis for the period from 13 April 2017 to 12 October 2018 is also attached at Appendix 3.

In the absence of there being sufficient realisations to discharge our time costs in full, our unbilled time costs of £6,634.62, have been written off as irrecoverable. However, we reserve the right to recover our unbilled time costs in the event that circumstances subsequently permit us to do so.

Disbursements

To 29 March 2019, we have also drawn disbursements in the sum of £1,901.94.

Why have subcontractors been used?

The choice of advisers and agents was based on the 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 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 £487.28 are set out below:

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Postage	231.76
Archiving	255.52
TOTAL	487.28

'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.

9. EXPENSES

A statement of the expenses incurred and discharged by us during the period of this progress report is attached at Appendix 4. A cumulative statement of expenses also appears at Appendix 4 which details the expenses incurred since the date of our appointment.

Creditors will recall that we estimated that the expenses of the administration would total £125,562.75. That estimate has not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged.

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 by us during the period of this progress report are excessive or, in relation to the basis fixed for our remuneration, inappropriate.

11. ASSETS THAT REMAIN TO BE REALISED

As creditors will recall from our previous progress reports, we are continuing to pursue the Company's book debts with the assistance of Leslie Keats.

As mentioned above, the best case scenario based on realisations that Leslie Keats have provided are to the sum of £450,000.00 and the worst case scenario is £240,000.00.

12. 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.

Investigations completed and action taken

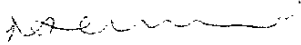
As explained in our interim progress report we have been investigating the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect.

Use of personal information

Please note that although the administration is being concluded, in discharging our remaining 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.

13. CONCLUSION

As a result of matters being resolved in the Administration, the Company will file form AM22 to convert the administration into a Creditors Voluntary Liquidation (CVL).



Joanne Louise Hammond
Joint Administrator

Date: 29 March 2019

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 13 October 2018 to 29 March 2019

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(In Administration)
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(In Administration)
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PAYE/NIC deductions from pref divide	831.50	4,005.18
	(17,025.54)	(68,101.96)
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)	(10,781.08)	5,483.06
REPRESENTED BY		
Vat Receivable		2,153.39
Bank 1 Current		3,329.67
		5,483.06

SUMMARY OF ADMINISTRATORS' PROPOSALS, INCLUDING MAJOR AMENDMENTS TO AND DEVIATIONS FROM THEM

Proposals approved by decision of creditors via a deemed consent procedure.

Please see below an extract from the Joint Administrators' proposals.

We are required to set out our proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3 of this report above.

For the reasons set out in this report, we consider that it is not reasonably practicable to achieve the objective specified in sub-paragraph 3(1)(a) i.e. rescuing the Company as a going concern. This is because of the extent of its insolvent status and lack of pipeline work.

The objective specified in sub-paragraph 3(1)(b), namely, achieving a better result for the Company's creditors as a whole than would be likely if the Company was wound up without first being in Administration may be achieved but this is dependent upon the sale of the freehold properties and the successful collection of the debtors' ledger. This is the objective that we will be pursuing in these circumstances.

Notwithstanding the above, the objective specified on sub-paragraph 3(1)(c) will be achieved, as it is anticipated there will be a distribution to the secured creditors and the Company's preferential creditors.

In order that the purpose of the administration may be fully achieved, we propose to remain in office as administrators in order to conclude the realisation of the Company's property. The principal matters to deal with in this respect are:

- Market for sale and secure a sale of all three freehold properties;
- Pursue the collection of the Company's contract debtors in conjunction with Leslie Keats;
- Arrange for the transfer of the auction sale proceeds;
- Resolve the outstanding retention of title claims;

Following these events we propose to finalise distributions to the secured and preferential creditors.

Exit 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.

We confirm that as part of our proposals we propose that we, or in the event of there being a subsequent change of persons appointed as administrator, the individuals in office as such immediately prior to the Company being placed into liquidation, do act as joint liquidators in the subsequent winding up of the Company. Creditors may nominate a different person as the proposed liquidator provided that the nomination is made after the receipt of the proposals and before the proposals are approved. The appointment of a person nominated as liquidator takes effect by the creditors' approval, with or without modification, of our proposals.

It is proposed that for the purpose of the winding up, any act required or authorised under any enactment to be done by the joint liquidators is to be done by all or any one or more of the persons for the time being holding office.

However, in the event that we determine that special circumstances apply in this matter and it would therefore be more cost effective to the Company's creditors to make an application to court to facilitate a distribution of funds within the Administration we will do so. This would only incur in circumstances where we consider that there are no matters for a liquidator to investigate which fall outside of the scope of the Administrators' powers.

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.

TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (SY) LLP's charging policy;
- b. Time Costs Analysis for the period from 13 October 2018 to 29 March 2019
- c. Cumulative Time Costs Analysis for the period from 13 April 2017 to 29 March 2019.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

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

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

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

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

Grade of staff	Charge-out rate (£ per hour) 1 December 2018 – until further notice
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Support	140

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 13/10/2018 To 29/03/2019

Staff Grade	Consultant/Partner	Director	Senior Mgr	Mgr	Asst Mgr	Senior Admin	Admin	Jr Admin	Support	Total Hours	Time Cost	Average Hourly rate £
General Case Administration and Planning	Case planning	1.0	0.7							1.8	781.00	433.89
	Administration	0.1	1.7							1.8	781.00	433.89
	Total for General Case Administration and Planning	1.1	2.4							12.4	2,044.50	164.88
	Compliance with the Insolvency Act 1986 and best practice									14.2	2,423.50	169.88
	Appointment				0.3	0.1						
	Building and Bonding											
	Case Closure				0.3							
	Statutory reporting and statement of affairs		3.7									
	Total for Compliance with the Insolvency Act 1986 and best practice		3.7		0.3					8.5	1,523.50	180.94
	COCA and investigations				0.6					14.8	2,421.50	165.88
Investigations	Total for Investigations:									0.2	12.00	60.00
	Debt collection		4.6							0.2	12.00	60.00
	Property, business and asset sales											
	Retention of Third/Third party assets											
	Total for Realisation of assets:									4.5	1,987.00	431.96
	Trading		4.5									
	Total for Trading:									4.5	1,987.00	431.96
	Secured											
	Others	0.3	1.3							8.0	1,623.00	202.88
	Creditors committee											
Dealing with all creditors (including proposals, correspondence and distributions)	Total for Dealing with all creditors (including proposals, correspondence and distributions):	0.3	1.3					6.4		8.0	1,623.00	202.88
	Seeding decisions of creditors									8.0	1,623.00	202.88
	Meetings											
	Other											
	Tax		0.9									
	Litigation											
	Total for Other matters:		0.9							1.2	422.50	366.75
	Total hours by staff grade:	1.4	12.9		0.9	0.1		16.3	0.3	1.2	442.50	366.75
	Total time cost by staff grade:	623.00	5,220.50		144.50	22.50		2,094.00	10.8	42.8		
	Average hourly rate £:	445.00	404.69		0.30	245.00	201.00	228.00	0.00	1,039.00	94.20	217.86
	Total fees (excl. to client £:							127.86			0.00	

SIP9 George Hurst & Sons Limited - Administration - 91GE197.ADM : Time Costs Analysis From 13/04/2017 To 29/03/2019

Staff Grade	Consolidated Partner	Director	Sr Mgr	Mgr	Asst Mng	Sr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average Hourly rate £		
General Case Administration and Planning	Case planning	15	28	0.1						13.4	3,264.50	243.62		
	Administration	0.1	63.2		0.3					116.7	28,837.00	242.84		
	Total for General Case Administration and Planning:	15.6	66.1	0.4						132.1	32,105.50	243.01		
	Appointment	5.2				7.1	17.2			52	2,054.00	395.00		
Compliance with the Insolvency Act, Rules and best practice	Banking and Bonding		9.3		0.5					54.4	8,714.50	160.19		
	Case Closure											0.00		
	Statutory reporting and statement of affairs	0.8	28.5			2.2	26.1		4.6	82.2	16,873.00	203.27		
	Total for Compliance with the Insolvency Act, Rules and best practice:	6.0	37.8	0.5		3.1	27.8	6.9	6.4	141.8	27,241.50	194.83		
Investigations	GDCA and investigations	0.7	7.8			2.2			0.4	11.7	3,461.00	295.81		
	Total for investigations:	0.7	7.8			2.2			0.4	11.7	3,461.00	295.81		
	Debt collection	1.4	55.0			1.5	5.1			63.0	21,128.00	335.37		
	Property, business and asset sales	16.9	72.6				1.0			90.5	31,897.50	352.46		
Realisation of assets	Retention of Third/Third party assets		3.7				0.6			4.3	1,341.50	312.28		
	Total for Realisation of assets:	18.3	131.3			1.5	6.7			157.8	64,407.00	344.78		
	Tracking											0.00		
	Total for Tracking:											0.00		
Dealing with all creditors (including employees), commercial and distributions	Secured										0.00	0.00		
	Others	6.2	61.4			0.2	7.8	12.5	22.5	4.0	124.7	30,870.00	247.87	
	Creditors committee											0.00		
	Total for Dealing with all creditors (including employees), commercial and distributions:	6.2	61.4			0.2	7.8	12.5	22.5	4.0	124.7	30,870.00	247.87	
Other matters which includes meeting decisions of creditors, meetings, tax, litigation, pensions and travel	Seeking decisions of creditors											0.00		
	Meetings											0.00		
	Chair											0.00		
	Tax	1.6	0.8			0.3	0.2	3.8	0.2	0.8	6.3	1,142.50	181.35	
	Litigation											1.6	632.00	395.00
	Total for Other matters:	1.6	0.8			0.3	0.2	3.8	0.2	0.8	7.9	1,774.50	224.62	
	Total hours by staff grade:	34.4	306.4	0.9		12.2	62.0	31.2	54.9	75.6	578.0			
	Total time cost by staff grade:	13,659.00	106,113.90			2,891.00	76,836.00	4,212.00	6,330.00	8,333.00	150,285.50			
	Average hourly rate £:	397.03	346.52	0.00		205.00	173.08	133.00	115.20	84.48		240.83		
	Total fees drawn to date £:										0.00			

APPENDIX 4

STATEMENT OF EXPENSES FOR THE PERIOD

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Legal Fees	Iwrin Mitchell LLP	1,407.50	1,407.50	-
Bank Charges	Svenska Handelsbanken AB (publ)	5.40	5.40	
Storage	Restore	255.52	255.52	-
Postage	Royal Mail	231.76	231.76	-

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Property Sale Costs	Clarius Business Services Doncaster Council	1,344.03 446.67
Legal Fees	Lupton Fawcett Irwin Mitchell LLP	19,028.00 1,407.50
Legal Disbursements	Lupton Fawcett	636.90
Storage	Restore	965.84
Gas	Opus Energy British Gas Business	1,474.14 927.39
Debt Collection Costs	Leslie Keats	31,023.02
Postage	Royal Mail	814.87
Employee Advice	UKELC	3,754.75
Statutory Advertising	TMP (UK) Ltd	70.00
Bank Charges	Svenska Handelsbanken AB (publ)	42.40
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