

Rule 2 47

Form 2 24B

The Insolvency Act 1986

Administrator's progress report**2.24B**

Name of Company Brian Livesey Limited	Company number 01074857
In the High Court of Justice, Preston District Registry	Court case number 366 of 2007

(a) Insert full name(s)
and address(es) of the
administrator(s)

We (a) D R Acland of Begbies Traynor, 1 Winckley Court, Chapel Street, Preston, Lancashire, PR1 8BU and A D Dick of Begbies Traynor, 340 Deansgate, Manchester, M3 4LY

Administrators of the above Company attach a progress report for the period

(b) Insert dates

from / to

(b) From 19 December 2007 to 18 June 2008

Signed

Joint Administrator

Dated

18 July 2008

Contact Details.

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

Begbies Traynor

1 Winckley Court, Chapel Street, Preston, Lancashire, PR1 8BU

Tel Number 01772 202000

Fax Number 01772 565243

DX Number

When you have completed and signed this form please send it to the Registrar of Companies at

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

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COMPANIES HOUSE

D R Acland and A D Dick appointed Joint Administrators on 19 December 2007

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as the Company's agents

Brian Livesey Limited - In Administration

Interim Report of the Joint Administrators pursuant to Rule 2.47 of The Insolvency Rules 1986

Period: 19 December 2007 to 18 June 2008

Contents

- ☐ Company and Administrators' details
- ☐ Progress during the period
- ☐ Assets that remain to be realised
- ☐ Other relevant information
- ☐ Conclusion
- ☐ Appendices
 - 1 Joint Administrators' account of receipts and payments, incorporating estimated outcome for creditors
 - 2 Joint Administrators' time costs and expenses

1. COMPANY AND ADMINISTRATORS' DETAILS

Name of court	High Court of Justice, Preston District Registry	
Court reference number	366 of 2007	
Company registered number	01074857	
Registered office address	Bebbies Traynor, 1 Winckley Court, Chapel Street, Preston, PR1 8BU	
Names of Joint Administrators	D R Acland	A D Dick
Office addresses of Joint Administrators	1 Winckley Court Chapel Street Preston Lancashire PR1 8BU	340 Deansgate Manchester M3 4LY
Date of Administrators' appointment	19 December 2007	
Person(s) making appointment / application	The Directors of the Company	
Changes in office-holder (if any)	None	
Acts of the Joint Administrators	The Joint 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	

2. PROGRESS DURING THE PERIOD

This report should be read in conjunction with the detailed Administrators proposals that were circulated to all known creditors on 12 February 2008. The proposals were subsequently approved by a resolution of the preferential creditors.

Attached at Appendix 1 is our abstract of receipts and payments for the period from 19 December 2007 to 18 June 2008.

Contracts in Progress

As previously envisaged, the contracts in progress as at the date of appointment with an estimated value of £2,821,002, have proved irrecoverable. The majority, if not all the equity within these contracts has been eliminated as a result of the extent of counter claims in respect of employers additional costs and completion delays. Negotiations continue in respect of one contract however it remains uncertain whether recoveries can be made from this source.

Debtors and Retentions

As detailed within the proposals, the Company records detailed debtors with a book value of £409,329 and retentions with an un-invoiced value of £652,875 in respect of both finished contracts and smaller contract and maintenance work previously undertaken by the Company.

Recovery action was commenced upon appointment and with the assistance of the instructed quantity surveyors, Naismiths, the sum of £22,100.89 has been collected to date. Collections are ongoing however, as anticipated a number of claims have not yet fallen due and it will be some time before collections are completed. It is envisaged that a total sum of £143,221 will be recovered however, after costs, the net realisations are likely to be circa £50,000.

Intercompany / Associated Accounts

Livesey Contracting Limited ("LCL")

Following an extensive review of the Company accounts records the inter-company balance has been calculated at £189,656 due to the Company, based on an asset transfer valuation of £620,451, in accordance with the book values.

However, it has been brought to our attention that the inventory of assets was out of date and further investigation is required before the final sums due can be quantified.

Livesey Group Limited ("LGL")

As previously reported, the properties owned by LGL known as 171 and 171A Walton Summit Centre, Bamber Bridge, Preston, PR5 8AH were sold prior to the Administration, together with 172 Walton Summit Centre, Bamber Bridge, Preston, PR5 8AH, previously owned by the Company.

We are advised that the total consideration paid was £3.5million, of which £1.1million is attributable to the property owned by the Company. However, the full sale consideration was paid to the Company, the relevant mortgages with Bank of Scotland plc were discharged and the net funds paid into the Company's overdrawn bank account. Consequently, the net sale proceeds due to LGL were not paid across resulting in a creditor of circa £650,000 however, an inter-company balance exists between the companies and our enquiries are continuing.

Based on our investigations to date, the consideration paid represents the market value at the time of the sale.

Live Leisure Limited ("LLL")

The Company undertook refurbishment and construction work on behalf of LLL. A dispute arose in respect of the contract terms and the Company claims a further sum of £287,612 is due however, the documentary evidence to support the claim has yet to be verified.

Best Profile Limited ("BPL")

The Company undertook refurbishment works on behalf of BPL and a balance of £61,881.09 remains due. Steps are being taken to recover this sum.

HM Revenue & Customs ("HMRC")

As previously advised, due to the nature of the Company's operations it had a significant VAT reclaim for the quarter ending 30 November 2007, however this sum will be subject to crown set-off. HMRC are still in the process of investigating the Company's tax affairs specifically with regard to the Company's liability for Corporation Tax between the years 2000-2005. Until this issue is resolved, it is unclear whether any repayment can be recovered. Moore & Smalley Chartered Accountants have been instructed to assist with these enquiries.

Performance Bond

The Company deposited a bond with Technical and General Guarantee Company Limited in the sum of £122,700 a Company which is now in Liquidation. The Administrators have now issued the relevant documentation to the Liquidator to support the Company's claim. The Liquidator has confirmed that the Company will rank ahead of any other creditor when they are in a position to pay a dividend and we anticipate significant recoveries from this source.

Investments

The Company held a number of shares in Preston North End Plc. With the assistance of Hedley & Company Stockbrokers Limited, the shares have been sold for circa £15,500. The Administrators anticipate receipt of the monies shortly.

Sundry Refunds

A refund in the sum of £3,681.15 has been received in respect of business rates and the sum of £3,541.79 has been received from United Utilities plc. A small insurance refund has also been received from C & CE Benefits Scheme in the sum of £83.

Preferential Creditors

A preferential claim has been received from the Redundancy Payments Office ("RPO") in the sum of £22,352.54 in respect of monies paid to employees for arrears of wages and holiday pay. The Administrators anticipate that employees will have additional preferential claims in their own right.

As previously advised, there will be a distribution available for preferential creditors. However, until the debt collection exercise is complete, I am unable to advise on the quantum of such a distribution.

Unsecured Creditors

Based on current realisations, there will be insufficient funds available for unsecured creditors.

Administrators' Remuneration

The Administrators' remuneration is based on hourly costs at scale rates calculated on the time properly spent in the course of the Administration and was approved by a resolution of the preferential creditor pursuant to Rule 2.106 of the Insolvency Rules 1986.

Pre appointment time amounts to 51.55 hours resulting in time costs of £11,013. These costs have been written off.

Total post appointment time spent to date on this assignment amounts to 611.15 hours at an average composite rate of £150.05 per hour resulting in total time costs to date of £91,705.50. The following further information as regards time costs and expenses is set out at Appendix 2.

- ☐ Begbies Traynor policy for re-charging expenses
- ☐ Begbies Traynor charge-out rates
- ☐ Narrative summary of time costs incurred and summary by staff grade and work activity

3. ASSETS THAT REMAIN TO BE REALISED

As detailed above, the Administrators, with the assistance of Naismiths, are continuing to pursue monies due in respect of work in progress, contracts debts and outstanding claims

The Administrators are also still investigating various matters including the inter-company debtors and creditors, the asset disposals and the tax enquires and it is not yet known whether these investigations will result in any recoveries for creditors

4. OTHER RELEVANT INFORMATION

Company Directors Disqualification ("CDDA")

As part of their statutory duties the Administrators are required to consider the conduct of the Directors and any persons considered to be a shadow or de facto director in relation to their management of the affairs of the Company and the cause of failure to the Department of Trade and Industry

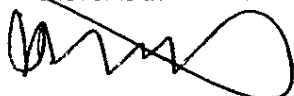
Due to complexity of the case the Administrators have been granted an extension to submit their report and will continue to investigate various matters which have been brought to their attention. Therefore, if any creditor has any information, which they deem to be relevant to the investigations, please provide such information in writing

Statement of Affairs ("SOA")

As previously advised, the Administrators granted the Director an extension of time to produce the SOA due to the complex nature of the case. To date this document has not been received and Moore and Smalley Chartered Accountants have been instructed to assist with its completion. Once this document is received it will greatly assist the Administrators in quantifying certain claims i.e. inter-company accounts and the director's loan account

5. CONCLUSION

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



D R Acland
Joint Administrator

Dated 18 July 2008

JOINT ADMINISTRATORS' ACCOUNT OF RECEIPTS AND PAYMENTS, INCORPORATING ESTIMATED OUTCOME FOR CREDITORS

Period 19 December 2007 to 18 June 2008

	Receipts & Payments to date	Anticipated Receipts & Payments	Projected Outcome
	£	£	£
ASSETS NOT SPECIFICALLY PLEDGED			
Contracts In Progress	0	Uncertain	Uncertain
Debtors	22,101	36,873	58,974
Retentions - Uninvoiced	0	84,247	84,247
Intercompany Debtors	0	Uncertain	Uncertain
H M Revenue & Customs	0	Uncertain	Uncertain
Investments	0	15,500	15,500
Performance Bond*	0	61,350	61,350
Cash at Bank	10,781	0	10,781
Sundry Refunds	6,306	(1,383)	4,923
Bank Interest Gross	181	100	281
	<u>39,369</u>	<u>196,687</u>	<u>236,056</u>
Payments			
Accountant's fees	-	(7,750)	(7,750)
Administrator's disbursements	(502)	(848)	(1,350)
Administrator's fees	-	(75,000)	(75,000)
Agent's fees & expenses	(700)	(3,100)	(3,800)
Quantity Surveyors Fees	-	(16,515)	(16,515)
Remedial Works / Provisions	-	(93,221)	(93,221)
Legal fees	-	(5,500)	(5,500)
Statement of Affairs	-	(2,150)	(2,150)
Advertising and Storage Costs	(156)	(3,750)	(3,906)
Wages / bookkeeping costs	(2,500)	-	(2,500)
Available for preferential creditors	<u>35,511</u>	<u>(11,146)</u>	<u>24,365</u>
Arrears of wages and holiday pay	-	(42,399)	(42,399)
Available for unsecured creditors	<u>35,511</u>	<u>(53,546)</u>	<u>(18,035)</u>
Trade & Expense Creditors (inc Retentions)	-	-	(4,675,467)
Intercompany Creditors	-	-	Uncertain
Redundancy Payments office	-	-	(73,292)
Directors Loan Account	-	-	(4,196,361)
H M Revenue & Customs	-	-	Uncertain
	<u>35,511</u>	<u>(53,546)</u>	<u>(8,963,155)</u>
Summary of balances held			
Fixed charge	-		
Floating charge	<u>35,511</u>		
	<u>35,511</u>		
Held as			
Bank	35,400		
VAT	111		
	<u>35,511</u>		
Summary of potential return to creditors			
Preferential Creditors			24,365
Unsecured Creditors			Nil
			<u>24,365</u>

Note: The Administrators' costs are likely to exceed the fee estimates and are deliberately capped in view of the uncertain recoveries.

* The performance bond recovery is detailed to be 50%, recoverable pending further advice from the Liquidator.

JOINT ADMINISTRATORS' TIME COSTS AND EXPENSES

- a Begbies Traynor policy for re-charging expenses,
- b Begbies Traynor charge-out rates,
- c Narrative summary of time costs incurred and summary by staff grade and work activity

POLICY FOR RE-CHARGING EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

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 make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Standard professional practice¹ requires that such charges should be disclosed to those who are responsible for approving his remuneration, together with an explanation of how those charges are made up and the basis on which they are arrived at.

DEFINITIONS

Required professional practice classifies expenses into two broad categories

- *Category 1 expenses (approval not required)* – specific expenditure that is directly related to a particular insolvency case, where the cost of the expense incurred is referable against an independent external supplier's invoice or published tariff of charges,
- *Category 2 expenses (approval required)* – all other items of expenditure
 - Which cannot, or cannot easily, be directly related to a particular insolvency case because there is an element of shared or allocated cost, and/or
 - Where the cost of the expense incurred is an estimated, unitised cost with the estimate based on external costs or opportunity cost

CHARGING POLICY

- *Category 1 expenses (approval not required)* – with the exception of any items referred to below, all such items are re-charged to the case as they are incurred
- *Category 2 expenses (approval required)*
 - (A) The following items of expenditure are re-charged as described
 - Internal meeting room usage for the purpose of statutory meetings of creditors is re-charged at the rate of £100 (London £150) per meeting,
 - Car mileage is re-charged at the rate of 40 pence per mile,
 - Storage of books and records (when not rechargeable as a *Category 1 expense*) is recharged 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,
 - (B) The following items of expenditure will normally be treated as general office overheads not subject to a re-charge
 - Telephone and facsimile
 - Printing and photocopying
 - Stationery

A re-charge may be made, however, where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 expense*

¹ Statement of Insolvency Practice 9 (SIP 9) effective from April 2007

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 Preston office as at the date of this report are as follows:

Grade of staff	Charge-out Rate (£ per hour)
Partner	365
Director	270
Senior Manager	210
Manager	180
Assistant Manager	145
Senior Administrator	115
Administrator	100
Cashier	100
Junior Administrator	70

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in units of 0.10 of an hour (i.e. 6 minute units).

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME	BRIAN LIVESEY LIMITED
CASE TYPE	ADMINISTRATION
OFFICE HOLDERS	DAVID ACLAND AND ANDREW DICK
DATE OF APPOINTMENT	19 DECEMBER 2007

1 CASE OVERVIEW

1 1 This overview is intended to allow the body responsible for the approval of the office-holder's fees to view the quantum of those fees in the context of the case in question

1 2 *Complexity of the case*

This case involves significant assets including work in progress, debtors and long term retentions which are likely to involve lengthy negotiations with the Company's customers

1 3 *Exceptional responsibilities*

The Company's tangible assets were disposed of within the months preceding the Administration and therefore, significant investigation work is required to establish whether the transactions were at market value and whether any parties have benefited at the expense of the general body of creditors

1 4 *The office-holder's effectiveness*

It was quickly established that the survival of the Company could not be achieved and therefore, the Administrators are proposing to realise the assets in order to pay a dividend to the preferential creditors

1 5 *Nature and value of property in question*

The Company's assets include debtors, work in progress, retentions, claims and other debtors with a book value of £4,512,578 together with an outstanding performance bond, a tax reclaim and company investments or circa £173,836

1 6 *Anticipated return to creditors*

The secured creditors were discharged prior to the Administration from the disposal of the Company's assets. It is anticipated that a return will be available to the preferential creditors however, it is not yet clear whether funds will become available to the unsecured creditors

1 7 *Time costs analysis*

An analysis of time costs incurred is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average rate charged for each work type

1 8 *The views of the creditors*

Creditors are invited to contact the Administrators with any information they may have surrounding the Company's affairs and assets. The proposals have been circulated to all known Creditors for their information. As the Joint Administrators considered that the Company had insufficient property to enable a distribution to be made to unsecured creditors and therefore no initial meeting of the Company's creditors would be summoned, the Joint Administrators proposals were deemed approved. However, the approval of the preferential creditor was sought to the Joint Administrators' proposals regarding fees, extension and vacation from office. The preferential creditor has since approved these proposals.

1 9 *Approval of fees*

The proposals included a provision for the Joint Administrators' to be remunerated on a time costs basis and this is detailed further within the report

1 10 *Other professionals employed & their costs*

Robson Kay & Co have undertaken an inventory of all the property held at the Company's premises. It is likely that their further advice will be required to establish the market value of these assets in respect of the pre-appointment asset disposals. Addleshaw Goddard Solicitors have assisted with the formalities regarding the appointment and will be further instructed to provide advice in relation to the debtor collections and asset disposals. Naismiths Quantity Surveyors are instructed to assist with the debtor collections and contract negotiations. Moore & Smalley Chartered Accountants will be instructed to assist with the preparation of the Statement of Affairs and the ongoing tax enquiries.

2 EXPLANATION OF OFFICE-HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

2 1 Begbies Traynor's policy for re-charging expenses incurred by insolvency office-holders is set out in a separate accompanying note

2 2 The rates charged by the various grades of staff who may work on a case are also set out in a separate accompanying note

TIME COST ANALYSIS as at 18 June 2008

The following table is a summary of time costs incurred by staff grade and work activity from 7 December 2007¹ to 18 June 2008

	Hours					Time cost £	Average hourly rate
	Partners	Directors & Managers	Other senior professionals	Assistants & support staff	Total hours		
Pre Appointment Time	7 50	29 90	12 65	1 50	51 55	11,013	214
Fees drawn to date						0	
Time costs written off						11,013	
Pre Appointment time costs carried forward						0	
Administration & Accountancy	1 00	9 25	4 30	18 60	33 15	4,701	142
Planning & Control	3 00	2 10	1 20	-	6 30	1,784	283
Fixed Charge Assets	-	-	-	-	-	0	-
Floating Charge Assets	5 50	8 90	3 70	-	18 10	4,770	264
Trading	-	-	-	-	-	0	-
Debt Collection	3 00	24 95	10 60	15 10	53 65	10,011	187
Preferential, Unsecured & Members	2 20	36 25	58 75	156 20	253 40	28,941	114
Employee Matters	-	12 10	27 55	10 70	50 35	7,158	142
Meetings and Statutory duties	2 50	6 10	24 30	2 35	35 25	5,487	156
Reports, SoA & Statutory returns	3 50	13 50	16 10	7 90	41 00	7,273	177
Investigations	8 75	45 80	35 70	29 70	119 95	21,580	180
Total hours	29 45	158 95	182 20	240 55	611 15		
Total cost to date	10,749 25	41,730 75	20,953 00	18,272 50		91,705	150
Fees drawn to date							
Outstanding costs						91,705	
Fees requested							

¹ This date will pre-date the commencement of the administration if pre-appointment work has been carried out