

The Insolvency Act 1986

**Administrator's progress report**

Name of Company. Macob Developments Limited	Company number 01642916
In the High Court of Justice Chancery Division Companies Court [full name of court]	Court case number 1660 of 2014

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

I / We (a) W John Kelly of Begbies Traynor (Central) LLP, 3rd Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG and Nigel Price of Begbies Traynor (Central) LLP, 3rd Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG

administrator(s) of the above company attach a progress report for the period

(b) Insert dates

from

to

(b) 4 March 2014

(b) 3 September 2014

Signed

Joint / Administrator(s)

Dated

11/01/14

**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 (Central) LLP	
3rd Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG	
	Tel Number 0121 200 8150
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FRIDAY



\*Q3HPH81K\*  
QIQ 03/10/2014 #8  
COMPANIES HOUSE

If 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

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

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## **Macob Developments Limited (In Administration)**

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Progress report pursuant to Rule 2.47 of the Insolvency Rules 1986

Period: 4 March 2014 to 3 September 2014

### **Important Notice**

This progress report has been produced to comply with our 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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# 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Macob Developments Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 4 March 2014
"the administrators" "we" "our" and "us"	W John Kelly of Begbies Traynor (Central) LLP, 3rd Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG and Nigel Price of Begbies Traynor (Central) LLP, 3rd Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (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

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## 2. COMPANY INFORMATION

Trading name(s)	Not applicable
Date of Incorporation	14 June 1982
Company registered number	01642916
Company registered office	Temple Point, 1 Temple Row, Birmingham, B2 5LG

## 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of administrators' appointment	4 March 2014
Date of administrators' resignation	Not applicable
Court	High Court of Justice Chancery Division Companies Court
Court Case Number	1660 of 2014
Person(s) making appointment / application	The directors
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 proceedings' within the meaning of Article 3 of the Regulation.

## 4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 4 March 2014 to 3 September 2014

### RECEIPTS

#### Plant & Machinery and Furniture & Equipment

As previously reported, the Company owned plant & machinery comprising of vehicles and items of heavy plant such as dumpers and excavators. The vehicles and plant were either owned or subject to finance with three main finance providers. Based on agents, Edward Symmons ("ES"), advice there was no equity in the equipment owned by two of the finance providers and these assets were therefore returned. The remaining assets were unencumbered or subject to finance with De Lange Landen, or to a much lesser extent, ING Finance.

ES were instructed to prepare inventories and market the remaining assets for sale at an auction (or by private treaty prior to the auction where possible)

The auction took place on 25 April 2014 and the vast majority of the assets were sold. A small number of assets (vehicles and office furniture) that did not sell at the auction were subsequently sold at a later date. Gross realisations comprised £459,213 for the plant & machinery, £7,350 for the vehicles and £3,571.67 for the furniture and equipment.

#### Sundry Receipts

A refund totalling £62.83 was received from the Company's credit card provider due to an overpayment.

#### Bank Interest

Bank interest totalling £2.78 has been applied to the joint administrators' post appointment bank account.

### **PAYMENTS**

#### Finance Obligations

Following the sale of the assets we have settled finance obligations of £354,323.02 to De Lange Landen and £1,519.78 to ING.

#### Contract Hire Costs

The sum of £1,852.10 was paid to Sinclair Finance & Leasing for the ongoing hire of a vehicle used by an employee retained by the joint administrators. This was necessary to facilitate the recovery and disposal strategy of the assets.

#### Agent's Fee

ES were paid the sum of £12,398.13 plus VAT for valuing, marketing and selling the Company's assets.

#### Security Costs

ES arranged security of the assets prior to auction. The costs totalled £4,000 plus VAT.

#### Asset Transportation/Cleaning Costs

The majority of the plant and equipment was initially located on sites throughout the country. ES organised for it to be collected and returned and stored at one central area near Cardiff. The plant & equipment was also cleaned prior to the auction to help ensure maximum values could be achieved. The collection and cleaning costs totalled £16,100 plus VAT.

#### Bank Charges

Bank charges totalling £25 were applied to the joint administrators' post appointment bank account.

## **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 creditor**

The Company had granted a fixed and floating charge debenture to Barclays Bank Plc ("Barclays") on 12 February 1989. The Company was also part of a wider group and cross guarantees were in place in favour of Barclays. The overall group debt due to Barclays at the date of appointment totalled £7,118,357 (before interest and charges) which comprised a loan and overdraft facilities. There was also a further loan of £2,100,000 that was guaranteed across the group.

An interim distribution totalling £30,000 was paid to Barclays on 31 July 2014. Based on present information there will be a further distribution to Barclays from this Company however the quantum and timing is unknown at this stage.

### **Preferential creditors**

At the date of appointment the Company did not have any employees. We have recently received a preferential claim from the Redundancy Payments Office ("RPO") totalling £873.36. This relates to one employee.

This claim has not yet been reviewed in detail and/or agreed. As indicated above, at the time of our appointment we did not anticipate any employee claims of this Company because it was understood that all employee claims would be made against Macob Administration Limited (in Administration). The status of this claim needs to be investigated and reviewed in detail.

Based upon present information there may be a dividend to preferential creditors although the quantum and timing is uncertain. This is entirely subject to further clarification regarding the status of this claim as explained in the above paragraph.

### **Unsecured creditors**

Claims of unsecured creditors were estimated at £126,802. Based upon present information there will be no dividend available to unsecured creditors.

### **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))

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

## **6. PRE-ADMINISTRATION COSTS**

We have decided not to seek approval of the pre-administration costs that were unpaid at the date of our appointment in the total sum of £307.50 plus VAT.

## 7. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by the secured creditor on 16 June 2014 in accordance with Rule 2 106(5A) of the Rules by reference to the time properly given by us (as administrators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the administration. We are also authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) 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 time costs for the period from 4 March 2014 to 3 September 2014 amount to £26,578 which represents 98.60 hours at an average rate of £269.55 per hour.

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

- Narrative summary of time costs incurred
- Table of time spent and charge-out value for the period 4 March 2014 to 3 September 2014
- Begbies Traynor (Central) LLP's policy for re-charging disbursements
- Begbies Traynor (Central) LLP's charge-out rates

To 3 September 2014, we have drawn the total sum of £15,000 on account of our remuneration, against total time costs of £26,578 incurred since the date of our appointment.

To 3 September 2014, we have also drawn disbursements in the sum of £206.37.

We will be seeking the consent of any preferential creditors for future fees and disbursements, subject to clarification that there are and should be preferential claims against the Company.

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been drawn since the necessary approval was obtained in the total sum of £124.20 are provided in the narrative summary of time costs incurred which is at Appendix 2.

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2011' 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](http://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.

## 8. ADMINISTRATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3.

## 9. ASSETS THAT REMAIN TO BE REALISED

Any return from the inter company debtors remain uncertain as it is dependant upon realisations from the other group companies.

## 10. 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, Innovation and Skills on the conduct of the directors. We have complied with our duties in this respect.



### **Investigations completed**

As explained in our Statement of Proposals, we have undertaken an initial assessment of the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect

### **Connected party transactions**

As far as we are aware there are no connected party transactions

### **Proposed exit route from administration**

The proposed exit route remains uncertain until all asset realisations have been concluded. Based on the current position it appears likely that we will implement the provisions of paragraph 84 of Schedule B1 to the Insolvency Act and the administration will progress to dissolution

## **11. CREDITORS' RIGHTS**

### **Right to request further information**

Pursuant to Rule 2.48A 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 detailed in this progress report

### **Right to make an application to court**

Pursuant to Rule 2.109 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 as set out in this progress report are excessive or, the basis fixed for our remuneration is inappropriate

## **12. CONCLUSION**

Finally, we are seeking the consent of the secured (and if appropriate preferential) creditors to our future discharge as administrators by a resolution passed pursuant to Paragraph 98 of Schedule B1 to the Act. We seek the date of our discharge to coincide with the date on which our appointment as administrators ultimately ceases to have effect

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



**Nigel Price**  
Joint Administrator

Dated 1 October 2014

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# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 4 March 2014 to 3 September 2014

**Macob Developments Limited**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**  
**To 03/09/2014**

S of A £		£	£
	<b>HIRE PURCHASE</b>		
1,283,000 00	Plant, machinery & motor vehicles	NIL	
(1,204,656 00)	Various finance companies	NIL	
			NIL
	<b>ASSET REALISATIONS</b>		
65,000 00	Plant & Machinery	459,213 00	
Uncertain	Furniture & Equipment	3,571 67	
	Motor Vehicles	7,350 00	
Uncertain	Debtor Macob Limited	NIL	
Uncertain	Debtor Macob (Southern) Limited	NIL	
Uncertain	Debtor Macob Training Services Limit	NIL	
Uncertain	Debtor Macob Property Holdings Limit	NIL	
Uncertain	Other debtors	NIL	
	Sundry Receipts	62 83	
	Bank Interest Gross	2 78	
			470,200 28
	<b>COST OF REALISATIONS</b>		
	Office Holders Fees	15,000 00	
	Office Holders Expenses	206 37	
	Contract Hire Costs	1,852 10	
	Agents Fee	12,398 13	
	Security Costs	4,000 00	
	Asset Transportation / Cleaning Costs	16,100 00	
	Finance Agreement	354,323 02	
	Lease Agreement	1,519 78	
	Bank Charges	25 00	
			(405,424 40)
	<b>FLOATING CHARGE CREDITORS</b>		
	Distribution to Floating Charge Creditor	30,000 00	
(7,018,357 02)	Barclays Bank Plc	NIL	
			(30,000 00)
	<b>UNSECURED CREDITORS</b>		
(48 159 03)	Trade Creditors	NIL	
(2,044 00)	Barclaycard	NIL	
(71,908 33)	Macob Property Holdings Limited	NIL	
(631 94)	Macob Limited	NIL	
(4,058 43)	Macob Administration Limited	NIL	
			NIL
	<b>DISTRIBUTIONS</b>		
(72 00)	Ordinary Shareholders	NIL	
			NIL
<b>(7,001,886.75)</b>			<b>34,775.88</b>
	<b>REPRESENTED BY</b>		
	Vat Receivable		3,374 99
	Bank 1 Current		31,400 89

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## TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Narrative summary of time costs incurred, and
- d Table of time spent and charge-out value for the period from 4 March 2014 to 3 September 2014

## **BEGBIES TRAYNOR CHARGING POLICY**

### **INTRODUCTION**

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance<sup>1</sup> 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 and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. Best practice guidance<sup>2</sup> requires 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 usually 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 incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval)

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 per meeting,
- Car mileage is charged at the rate of 45 pence per mile,
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes

<sup>1</sup> Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

<sup>2</sup> *Ibid* 1

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,

- *Expenses which should be treated as Category 2 disbursements (approval required)* – in addition to the 2 categories referred to above, best practice guidance indicates that where payments are 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

(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 Birmingham office as at the date of this report are as follows

	<b>Standard 1 May 2011 – until further notice Regional</b>
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	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

## SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME Macob Developments Limited  
CASE TYPE ADMINISTRATION  
OFFICE HOLDERS W John Kelly AND Nigel Price  
DATE OF APPOINTMENT 4 March 2014

### 1 CASE OVERVIEW

1.1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case

1.2 **Complexity of the case**

This is a complex case involving a group of companies of which eight companies have been placed into administration. There was a large amount of plant, equipment and vehicles. We co-ordinated the collection of vehicles and plant, organised the necessary insurance and made appropriate security arrangements.

1.3 **Exceptional responsibilities**

None

1.4 **The office holders' effectiveness**

We instructed agents, Edward Symmons ("ES") to help secure, value, market and sell the plant, machinery and vehicles. The assets were sold at an auction or by private treaty.

1.5 **Nature and value of property dealt with by the office holders'**

We have realised the sum of £459,213 for the plant and machinery, £3,571.67 for the furniture and equipment and £7,350 for the motor vehicles.

1.6 **Anticipated return to creditors**

An interim distribution totalling £30,000 was paid to the chargeholder, Barclays Bank Plc on 31 July 2014.

Based upon present information there may be a dividend available for preferential creditors subject to ongoing clarification regarding the status of the preferential claim. There is unlikely to be any return to the unsecured creditors.

1.7 **Time costs analysis**

An analysis of time costs incurred between 4 March 2014 and 3 September 2014 prepared in accordance with Statement of Insolvency Practice 9 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 hourly rate charged for each work type.

The time costs analysis provides details of work undertaken by the office holders and their staff following their appointment only.

1.8 **The views of the creditors**

Any queries from creditors have been dealt with in a timely manner.

**1 9 Approval of fees**

We have so far obtained the consent of the secured creditor for our fees. We will seek further consent for future fees from preferential creditors, subject to clarification regarding the status of the claims

**1 10 Approval of Expenses and Disbursements**

We have so far obtained the consent of the secured creditor for our expenses and disbursements. We will seek further consent for future expenses and disbursements from preferential creditors, subject to clarification regarding the status of the claims

**1 11 Category 2 Disbursements**

In accordance with the resolution obtained in relation to expenses and disbursements, the following Category 2 disbursements and disbursements which should be treated as Category 2 disbursements have been charged to the case since the date of my appointment

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Mileage -- to and from Cardiff	124 20
TOTAL	124 20

**1 12 Other professionals employed & their costs**

Eversheds LLP were instructed to provide assistance with the legal aspects of placing the companies into administration and all post appointment legal matters. Their fee will be based on a time cost basis.

ES were instructed to secure, market and sell the Company's vehicles, plant and machinery. Their fee is based on a percentage of sale proceeds.

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

2 1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached at Appendix 2

2 2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 2

**3. SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT**

Since the date of our last report, the following work has been carried out

- Dealing with creditor queries,
- Dealing with all statutory duties including the preparation of the joint administrators report and proposals,
- Liaising and attending meetings with ES regarding the ongoing sale of the Company's assets,
- Carrying out investigations into the affairs of the Company and preparing the necessary reports,
- Producing update reports for the Bank





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**STATEMENT OF ADMINISTRATORS' EXPENSES**

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Postage		64 17	64 17	Nil
Bordereau	AUA Insolvency Risk Services	18 00	18 00	Nil
Mileage		124 20	124 20	Nil