

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) 1 February 2015

(b) 31 July 2015

Signed

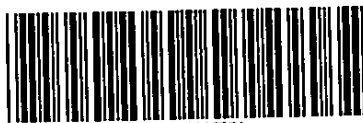
Joint / Administrator(s)

Dated

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
Fax Number 0121 200 8160	DX Number



A4F5KAT5

A29 03/09/2015 #80

COMPANIES HOUSE

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

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

Macob Developments Limited (In Administration)

Progress report pursuant to Rule 2.47 of the
Insolvency Rules 1986

Period: 1 February 2015 to 31 July 2015

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.

Contents

- ☐ Interpretation
- ☐ Company information
- ☐ Details of appointment of administrators
- ☐ Progress during the period
- ☐ Estimated outcome for creditors
- ☐ Pre-administration costs
- ☐ Remuneration and disbursements
- ☐ Expenses
- ☐ Assets that remain to be realised
- ☐ Other relevant information
- ☐ Creditors' rights
- ☐ Conclusion
- ☐ Appendices
 - 1 Account of receipts and payments
 - 2 Time costs and disbursements
 - 3 Statement of administrators' expenses

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, 3 rd 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

2. COMPANY INFORMATION

Trading name(s)	Macob Developments
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	n/a
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

During the period of this report, the Administrators have continued to pursue the outstanding insurance claim made in respect of the plant and machinery stolen from a number of sites shortly after appointment.

Following a review of the CCTV coverage on the third party sites from where the machinery was stolen the insurers would only admit claims in respect of two sites. Accordingly, the insurers paid £11,650.00 in full and final settlement of the claims.

Attached at Appendix 1 is our abstract of receipts and payments for the period from 1 February 2015 to 31 July 2015, including a cumulative receipts and payments account from commencement of the Administration on 4 March 2014.

RECEIPTS

Bank Interest Gross

During the period of this report, bank interest totalling £15 06 has been accrued on the funds held in an interest-bearing bank account

Insurance Settlement

The sum of £11,650 was received from AUA Insolvency Risk Services Limited in respect of the claims made by the Administrators following the theft of plant and machinery after their appointment

PAYMENTS

Legal Fees & Disbursements

The sum of £1,500 (plus VAT and disbursements of £58 86) has been paid to Eversheds LLP for the provision of legal advice and assistance

Storage Costs

The sum of £130 43 (plus VAT) has been paid to L & R Storage Limited in respect of storage and retrieval of the Company's book and records

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

Secured creditor

Barclays Bank plc ("Barclays") holds a fixed and floating charge registered against the Company. The Company was part of a wider group structure and operated within the group's loan and overdraft facility. On appointment, the group debt totalled £7,118,357 (before interest and charges). There was also a further loan of £2,100,000 that was guaranteed across the group.

To date, Barclays have received £30,000 in respect of its fixed charge from the Company. There have been other distributions to Barclays from other members of the Group.

There may be further distributions to Barclays from the Company and across the Group albeit the quantum and timing of any further distribution is wholly dependent upon the realisations of land, property and profit share agreements held in other members of the group, together with any inter-company debtors.

Preferential creditors

As previously reported, the Administrators received a claim from the Redundancy Payments Office for £873 36. Based on representations made by the Company directors, we understand that all the employees were employed by Macob Administration Limited and not Macob Developments Limited. Therefore, the claim has been rejected in full.

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

Details of how the prescribed part for unsecured creditors is calculated were provided in our statement of proposals and in subsequent progress reports

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

Unsecured creditors

Any return to the unsecured creditors is wholly dependent upon the realisation of the remaining land, buildings and profit share agreements held in other members of the group, together with the recovery of inter-company debtors

Effect of administration on limitation periods under the Limitation Act 1980

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

6. PRE-ADMINISTRATION COSTS

As previously reported, 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. We have also since written to the creditor that may have a preferential claim and we have obtained consent from this source of creditor as well.

Our time costs for the period from 1 February 2015 to 31 July 2015 amount to £6,536 which represents 25.80 hours at an average rate of £253.33 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 1 February 2015 to 31 July 2015
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

To 31 July 2015, we have drawn the total sum of £25,000 on account of our remuneration, against total time costs of £40,982 incurred since the date of our appointment. In addition to the time costs information disclosed at Appendix 2 for the period of this report, our previous progress reports contained details of the time costs we had incurred as at the date of each report.

To 31 July 2015, we have also drawn disbursements in the sum of £206.37.

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. 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

The following assets remain outstanding:

- Recovery of inter-company debtors

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.

Extension of administration

The administration was extended for a period of six months with the consent of creditors.

Proposed exit route from administration

In accordance with the Administrators' Proposals dated 25 April 2014, it is anticipated that the Company will exit the Administration via a Creditors Voluntary Liquidation on the basis there are assets held by the Company and the wider group which are still to be realised which may result in the full repayment of the secured creditor enabling a return to the unsecured creditors.

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

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



W John Kelly
Joint Administrator

Dated 28 August 2015

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 1 February 2015 to 31 July 2015

Macob Developments Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs		From 01/02/2015 To 31/07/2015	From 04/03/2014 To 31/07/2015
	HIRE PURCHASE		
1,283,000 00	Plant, machinery & motor vehicles	NIL	NIL
(1,204,656 00)	Various finance companies	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
65,000 00	Plant & Machinery	NIL	459,213 00
Uncertain	Furniture & Equipment	NIL	3,571 67
	Motor Vehicles	NIL	7,350 00
Uncertain	Debtor Macob Limited	NIL	NIL
Uncertain	Debtor Macob (Southern) Limited	NIL	NIL
Uncertain	Debtor Macob Training Services Limit	NIL	NIL
Uncertain	Debtor Macob Property Holdings Limit	NIL	NIL
Uncertain	Other debtors	NIL	NIL
	Sundry Receipts	NIL	62 83
	Bank Interest Gross	15 06	40 59
	Bank Interest Net of Tax	NIL	NIL
	Insurance Settlement	11,650 00	11,650 00
		11,665 06	481,888 09
	COST OF REALISATIONS		
	Office Holders Fees	10,000 00	25,000 00
	Office Holders Expenses	NIL	206 37
	Contract Hire Costs	NIL	2,222 52
	Agents Fee	NIL	12,398 13
	Legal Fees (1)	1,500 00	1,500 00
	Legal Fees (2)	58 86	58 86
	Security Costs	NIL	4,000 00
	Asset Transportation / Cleaning Costs	NIL	16,100 00
	Storage Costs	130 43	418 01
	Finance Agreement	NIL	354,323 02
	Lease Agreement	NIL	1,519 78
	Insurance of Assets	NIL	2,947 39
	Bank Charges	NIL	25 00
		(11,689 29)	(420,719 08)
	FLOATING CHARGE CREDITORS		
	Distribution to Floating Charge Creditor	NIL	30,000 00
(7,018,357 02)	Barclays Bank Plc	NIL	NIL
		NIL	(30,000 00)
	UNSECURED CREDITORS		
(48,159 03)	Trade Creditors	NIL	NIL
(2,044 00)	Barclaycard	NIL	NIL
(71,908 33)	Macob Property Holdings Limited	NIL	NIL
(631 94)	Macob Limited	NIL	NIL
(4,058 43)	Macob Administration Limited	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(72 00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL

(7,001,886.75)

(24.23)

31,169 01

REPRESENTED BY
Vat Receivable
Bank 1 Current
Vat Control Account

2,000 00
29,163 73
5 28

31,169.01

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,
- d Table of time spent and charge-out value for the period from 1 February 2015 to 31 July 2015 and
- e Cumulative table of time spent and charge-out value for the period from 4 March 2014 to 31 July 2015

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

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

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

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

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

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

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) 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

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

² 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

(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

	Standard
	1 May 2011 –
	until further notice
	Regional
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 and/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, equipment and £7,350 for the motor vehicles. We have subsequently recovered £11,650 in settlement of an insurance claim made by the Administrators in respect of plant and machinery stolen from third party sites after appointment.

1.6 Anticipated return to creditors

Secured creditor An interim distribution of £30,000 was made to the floating chargeholder, Barclays Bank Plc ("Barclays") on 31 July 2014. Based on present information there will be a further distribution to Barclays although the quantum and timing is uncertain.

Preferential creditors As detailed in the main body of the report, the Administrators have rejected the Redundancy Payments Office preferential claim on the basis that they consider the claim should be made against another group company, Macob Administration Limited, which is also in Administration.

Unsecured creditors The Administrators consider that there may be a return to the unsecured creditors but only if the secured creditor is repaid in full from the assets of the Company and the wider group companies.

1.7 Time costs analysis

An analysis of time costs incurred between 1 February 2015 and 31 July 2015 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

We have reported to the creditors on an interim basis and have responded to any queries received in a timely manner. Should any creditors have any queries or concerns they should contact us either in writing or by telephone.

1 9 Approval of fees

We have obtained the consent of the secured and preferential creditors for the approval of our fees. It was subsequently approved by the RPO notwithstanding the uncertainty regarding the preferential claim.

1 10 Approval of Expenses and Disbursements

A resolution for fees was accepted by secured creditors for the approval of our disbursements and expenses. It was subsequently approved by the RPO notwithstanding the uncertainty regarding the preferential claim.

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 site and return	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 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,
- Liaise with the loss adjuster in respect of the insurance claim,
- Producing update report for the Bank,
- Prepare and circulate the Administrators interim progress report.

Macob Developments Limited

Hours

Administration and planning
Appointment and case planning
Administration and banking
Statutory reporting and statement of affairs

Investigations

- Realisation of assets
- Debt collection
- Property, business and asset sales
- Retention of Title/Third party assets

Trading

Creditors	
Secured	
Others	
Creditors' c	

Other matters
Meetings
Tax
Litigation
Other

Total hours by staff grade

Total time cost by staff grade

Average hourly rate £

25,000

STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Legal fees and disbursements	Eversheds LLP	1,558 86	1,558 86	Nil
Storage	L & R Storage Limited	130 43	130 43	Nil