

CVA4

Notice of termination or full implementation of voluntary arrangement



Companies House

THURSDAY



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A20 11/10/2018 #279
COMPANIES HOUSE

1	Company details	
Company number	0 2 0 1 7 9 7 7	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	Basildon Bakeries Limited	
2	Supervisor's name	
Full forename(s)	Lloyd	
Surname	Biscoe	
3	Supervisor's address	
Building name/number	The Old Exchange	
Street	234 Southchurch Road	
Post town	Southend on Sea	
County/Region	Essex	
Postcode	S S 1 2 E G	
Country		
4	Supervisor's name ^①	
Full forename(s)	Jamie	① Other supervisor Use this section to tell us about another supervisor.
Surname	Taylor	
5	Supervisor's address ^②	
Building name/number	The Old Exchange	② Other supervisor Use this section to tell us about another supervisor.
Street	234 Southchurch Road	
Post town	Southend on Sea	
County/Region	Essex	
Postcode	S S 1 2 E G	
Country		

CVA4

Notice of termination or full implementation of voluntary arrangement

6 Date voluntary arrangement fully implemented or terminated

Date


d	d	m	m	y	y	y	y
0	8	1	0	2	0	1	8

7 Attachments

- ☒ I have attached a copy of the notice to creditors
- ☒ I have attached the supervisor's report

8 Sign and date

Supervisor's signature

Supervisor's signature							
							

Signature date

d	d	m	m	y	y	y	y
0	8	1	0	2	0	1	8

CVA4

Notice of termination or full implementation of voluntary arrangement



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 **Robert Knight**

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

Address **The Old Exchange**

234 Southchurch Road

Post town **Southend on Sea**

County/Region

Postcode **S S 1 2 E G**

Country

DX

Telephone **01702 467255**



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

NOTICE OF FULL IMPLEMENTATION OF THE COMPANY VOLUNTARY ARRANGEMENT

Basildon Bakeries Limited (Registered number: 02017977) ("the Company")

This notice is given pursuant to Rule 2.44 of the Insolvency (England and Wales) Rules 2016 ("the Rules").

Court details:

Court Name: High Court
Court Number: 006970 of 2016

Office-holder details:


Lloyd Biscoe and Jamie Taylor, both of Begbies Traynor (Central) LLP were appointed as Joint Supervisors on 17 October 2016.

I hereby confirm that the Company's Voluntary Arrangement, which took effect on 17 October 2016, has been fully implemented as of 08 October 2018. Further information can be found in the Supervisors' final report and account dated 08 October 2018, a copy of which has been made available for viewing and downloading on a website.

Contact details

The Supervisors' postal address is at Begbies Traynor, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG. In the event that creditors and members have any queries in relation to this notice, they should contact Robert Knight by telephone on 01702467255, or by email at robert.knight@begbies-traynor.com or by post at the address detailed above.

Dated: 08 OCTOBER 2018

Signed: 

Jamie Taylor
Joint Supervisor

HIGH COURT
No 006970 of 2016

Lloyd Biscoe and Jamie Taylor appointed joint supervisors on 17 October 2016.

Basildon Bakeries Limited (Company Voluntary Arrangement)

Joint Supervisors' Final Report on completion
of the Company's Voluntary Arrangement

Period: 17 October 2017 to 08 October 2018

Important Notice

This report has been produced by the supervisors solely to comply with their statutory duty to report to creditors and members at the conclusion of the Voluntary Arrangement. 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 or members 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"	Basildon Bakeries Limited (Under a Voluntary Arrangement)
"the Supervisors" "we" "us" "our" etc	Lloyd Biscoe of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG and Jamie Taylor of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, Essex, SS1 2EG
"the Arrangement"	The terms of the Proposal, Standard Conditions and any modifications (and/or variations) agreed by the Company's creditors
"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)

2. RELEVANT INFORMATION

Name of Company	Basildon Bakeries Limited
Trading name(s):	Basildon Bakeries
Date of Incorporation:	8 May 1986
Company registered number:	02017977
Company registered office:	Bleak House, 146 High Street, Billericay, CM12 9DF
Commencement date of the Arrangement	17 October 2016.
Duration of the Arrangement	24 months
Main provisions of the Arrangement	Sale of the Company's freehold property at 9-15 Buckwins Square. Sale of the Company's chattel assets within 6 months of approval of the Arrangement. All non-preferential, unsecured creditors are to receive a

	minimum dividend of 100 pence in the £.
Dividends paid to creditors	A dividend of 100 pence in the £ was paid to the preferential creditors on 26 July 2017. The total amount distributed was £8,568.43. A dividend of 100 pence in the £ plus statutory interest was paid to the unsecured, non-preferential creditors on 10 January 2018. The total amount distributed was £316,760.65 plus statutory interest of £31,771.76.
Anticipated further dividend(s)	There are to be no further dividends.

3. INTRODUCTION

- 3.1 The Rules require that on final completion or termination of the CVA the joint supervisors are to send a report to creditors and members summarising all receipts and payments made by them in pursuance of the Arrangement. In addition, we are required to explain any departure from the proposal as originally approved.
- 3.2 This report should be read in conjunction with the annual progress report that we have produced and the documentation forming the basis of the Arrangement.

4. ABSTRACT OF RECEIPTS AND PAYMENTS

Please find at Appendix 1 an abstract which shows the receipts and payments during the period of this report as well as cumulative figures showing the receipts and payments since the date of our appointment. The abstract therefore summarises all receipts and payments made by us in our capacity as Supervisors.

Asset Realisations

Freehold Property – Unit 9, Freehold Property – Unit 11 and Freehold Property – Unit 15

The sum of £703,658.57 has been realised in respect of the net sale proceeds of the Company's freehold property at Unit 9 – 15 Buckwins Square. As stated on the receipts and payments account attached at Appendix 1 of this report, this can be broken down into the following:

- The sum of £240,541.77 has been realised following the sale of Unit 9;
- The sum of £190,000.00 has been realised following the sale of Unit 11; and
- The sum of £273,116.80 has been realised following the sale of Unit 15.

Ayers & Cruiks were instructed by the Company to assist in the marketing of the Units. Palmers Solicitors ("Palmers") were also instructed by the Company to assist in the conveyancing of the Units and overseeing their respective sales. The respective commissions/fees of Ayers and Cruiks and Palmers have been received by both parties following the property sales but prior to the receipt of funds into the CVA.

Modification 18 proposed by HMRC stated that *"the freehold property...is to be placed on the open market within 8 weeks of approval of the Arrangement"*. We can report that this has been adhered to. Modification 18 also continued to explained that we were to immediately make arrangement for sale by public auction at the next available auction sale if the property was not sold within 20 months of approval of the Arrangement. We are pleased to report that as the

freehold property has been sold we do not need to carry out this procedure and Modification 18 has been complied with.

Net proceeds of Chattel Assets

ITC (South East) Ltd were instructed by the Company to uplift and dispose of the chattel assets which consisted of furniture & equipment, plant & machinery, motor vehicles and stock. As per modification 19 proposed by HMRC, the chattel assets were to be sold within 6 months of approval of the Arrangement. The net sum of £34,240.51 was received in March 2017 in this respect which is adherent to the approved modification.

Contribution to Legal Fees

The sum of £1,829.00 has been advanced to the CVA by the Company in respect of legal fees that were anticipated to arise.

Bank Interest Gross

The sum of £568.14 has been realised in the period in respect of bank interest gross.

Contribution to Costs of Winding Up

Modification 30 proposed by HMRC stating that "the Supervisor shall retain sufficient funds for winding up proceedings against the Company". In accordance with this modification, the sum of £3,500.00 was advanced to the case by the Company in respect of provision for costs of winding up the Company.

Vehicle Tax Refund

The sum of £95.00 has been received in respect of vehicle tax refunds.

Costs of Realisations

Specific Bond

The sum of £342.00 has been drawn in order to acquire the office holders' specific bond.

Office Holders Fees

The sum of £42,735.50 has been drawn in respect of the time costs of the office holders and their staff in attending to matters throughout the CVA. Of this sum of £16,505 has been drawn in the period. Detail of the work carried out in the period is given later in this report.

Office Holders Expenses

The sum of £229.60 has been drawn in respect of the office holders' expenses which relate to photocopying. Of this amount, the sum of £37.20 has been drawn in the period.

Photocopying is a category 2 disbursement and the necessary approval to draw such disbursements was obtained on 17 October 2016.

Accountants Fees

The sum of £6,500.00 has been paid to Michael Letch & Partners LLP for their services in preparing and filing the Company's accounts and resolving the Company's tax position.

Agents Fees

The sum of £1,500.00 has been paid to Jacqueline Hobday in respect of work carried out by and assistance in liaising with various parties and attendance at the Company's former trading site in order to progress the CVA to conclusion.

Legal Fees

The sum of £529.00 has been paid to BTMK Solicitors ("BTMK") in respect of their professional fees and disbursements in acting and advising in relation to the placing of three restrictions on Unit 9, Unit 11 and Unit 15 Buckwins square. This can be broken down as follows:

- £500.00 in respect of BTMK's fees; and
- £29.00 in respect of their disbursements regarding the land registry searches.

VAT recoverable by the Company

The sum of £1,520.00 has been shown as VAT recoverable by the Company as the Joint Supervisors can not reclaim VAT in the CVA.

Stationery & Postage

The sum of £181.50 has been drawn in respect of postage costs. Of this amount, the sum of £66.30 has been drawn in the period.

Pension Costs

The sum of £600.00 has been paid to Clumber Consultancy Limited in order to acquire their services for reviewing and providing reports on the Company's existing pension schemes.

Details of the dividends paid are provided later in this report. The sum of £318,567.71 has been paid to the Company as surplus funds from the CVA.

5. PROGRESS DURING THE PERIOD OF THIS REPORT

- 5.1 You will recall that the terms of the Arrangement as modified provided for the following:
 - 5.1.1 The freehold property at 9-15 Buckwins Square is to be placed on the open market within 8 weeks of approval of the Arrangement. If the property is not sold within 20 months of approval of the Arrangement, the supervisor will immediately make arrangements for sale by public auction at the next available auction sale.
 - 5.1.2 The Company's chattel assets are to be sold within 6 months of the approval of the Arrangement.
 - 5.1.3 The Arrangement shall not be capable of successful completion until all non-preferential, unsecured creditors claiming in the Arrangement have received a minimum dividend of 100 pence in the pound ("p/£").
 - 5.1.4 No non-preferential distribution will be made until the Final Claim of HM Revenue & Customs ("HMRC") has been made and the supervisor has admitted the claim for dividend purposes.
- 5.2 **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?**

Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2. There is an analysis for the period covered by this 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 covered by this report only. Our previous report contains details of the work undertaken since our appointment.

General case administration and planning

- Updating case strategy plan and case compliance checklists;
- Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and otherwise does not directly fall into other categories;
- General case updates and internal meetings on case strategy and effecting instruction;
- Ongoing maintenance of up to date information on the electronic case information;
- Periodic reviews of the case generally including case review preceding payment of dividend;
- Overseeing and controlling the work undertaken on this engagement by junior staff;
- Completion of six monthly compliance and progression checklists;
- Ensure time recording data is compliant with Statement of Insolvency Practice 9;
- Correspondence with shareholders and instructed agents;
- correspondence with the Company's accountants on tax-related and other various matters and review of associated documentation;
- Correspondence with the director where appropriate including requests for copies of the Company's bank account statements;
- Creation of file notes where necessary;
- Arrangement for discharging of agents' costs.

On this engagement, the work identified above holds no direct commercial benefit to creditors. Creditors benefit from this work as it ensures this particular engagement is dealt with to the standards expected and also in a timely fashion. Elements of this work are required to comply with best practice and statute.

Compliance with the Insolvency Act, Rules and best practice

- Periodic reviews of the adequacy of the specific penalty bond;
- Ongoing consideration to ethical practice and money laundering regulations;
- Updating case checklists and statutory diaries where necessary;
- Case reviews to ensure compliance in accordance with the proposal and modifications;
- Preparation and submission of annual progress report to the Company, members, creditors, accountants and Companies House with associated documents.

Banking:

- Maintaining and managing the insolvent estate bank account and the officer holders' cash book on this assignment;
- Undertaking regular bank reconciliations of the insolvent estate bank account.
- Complying with risk management procedures;
- Accounting for accruing interest on the cash book;
- Preparing and processing cheque requisition forms for the payment of post-appointment invoices;

On this engagement, the work identified above holds no direct commercial benefit to creditors. It is the duty of the appointed office holder to comply with the Insolvency Act and Rules and creditors benefit from this being done to a standard expected of this firm.

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

- Updating schedules of preferential and unsecured creditor claims;
- Issue of notice of annual report to creditors;
- Receipt and review of creditor claims with supporting information and input on internal case management software;
- Taking and dealing with phone calls from creditors;
- Receipt of, consideration of and response to creditor correspondence;
- Preparation and issue of notice of intended dividend;
- Communication with creditors to resolve claim-related queries;
- Review of and adjudication on held and un-agreed claims preceding dividend;
- Calculation and subsequent payment of dividend and statutory interest to unsecured creditors;
- Review of the proposals and modifications to ensure compliance in accordance with claims and dividend payments;
- Payment of equalising dividend to creditors and re-issue of dividend cheque payments for those not yet banked.

On this engagement, the work detailed above has had a direct financial benefit to creditors. Claim agreement was undertaken in accordance with the Insolvency Act and Rules together with best practice to ensure that all creditor claims have been correctly lodged and fairly adjudicated on. All creditors that have not claimed have had a fair chance to submit claims. A dividend to creditors has subsequently been paid.

Employees:

- Written and verbal correspondence with employees and their representatives addressing queries raised;
- Review of RP1 claims and Company payroll information;
- Adjudication of claims of employees and the Redundancy Payments Office;
- Payment of preferential dividend and associated tax.

On this engagement, the work detailed above has had a direct financial benefit to the former employees and preferential creditors. The work done has allowed the claims lodged by former employees of the business to be met by the Redundancy Payments Office in the first instance, irrespective of the value of assets in the insolvent estate. The work is required to be done under Employment legislation and claim agreement in accordance with the Insolvency Act and Rules. The preferential creditors have subsequently received a dividend.

Other matters which includes meetings, tax, litigation, pensions and travel

Tax / VAT

- Receipt of new PAYE and UTR numbers and payment of tax on dividends;
- Review of pension position and notifications;
- Engagement of pension specialists and associated correspondence including discharging their costs;
- Receipt and review of pension reports from instructed specialists;
- Correspondence with pension trustees where necessary;
- Issue of notices to The Pensions Regulator, The Pension Protection Fund and trustees pursuant to Section 122 of the Pensions Act 2004;

- Attending meeting with the director to discuss aspects of the CVA and strategy and associated preparation;
- Liaison with accountants to discuss the company's tax affairs including consideration of possible terminal loss relief claim or payment of any capital gains tax.

On this engagement there has been some commercial benefit to creditors from the work identified above. Office holders are required to comply with Tax legislation in relation to the insolvent entity and receipt of new PAYE and UTR numbers for the Company have enabled a preferential dividend to be paid. Some work has had no direct commercial benefit to creditors. It is required by statute for the office holders to identify any possible pension schemes in place and deal with their closure or otherwise and pension trustee services have been engaged to assess these and in the CVA, the duty for dealing with such lies with the director not the Supervisors. Terminal loss relief claim has been considered which might bring about further asset realisations in the CVA, but none which has been pursued.

- 5.3 In light of the above, I am pleased to confirm that the Company has complied with its obligations under the Arrangement and we have issued a Certificate of Full Implementation.

6. OUTCOME FOR CREDITORS

- 6.1 The Proposals estimated that the Supervisors would pay dividends annually of 10 p/£ in the first year and a dividend of 90 p/£ in the second year. As explained in our last annual report, the Supervisors were unable to declare a dividend to the unsecured creditors in the first year due to the date on which HMRC's final claim was received. HMRC's modification number 9 which stated that "No non preferential distribution will be made until the HMRC Final Claim has been made and the supervisor has admitted the claim for dividend purposes".
- 6.2 Following receipt of HMRC's final claim, a notice of intended dividend was issued giving creditors a deadline of 10 November 2017 by which to submit their claims. A dividend was subsequently paid to the unsecured creditors within the two months following the deadline for submission of claims.
- 6.3 At the commencement of the Arrangement, there were estimated to be 32 preferential creditors in the total sum of £19,160.00. An outcome has been achieved for preferential creditors of 100p in the £. The total amount paid to preferential creditors was £8,568.43 and this was paid on 26 July 2017.
- 6.4 At the commencement of the Arrangement, there were estimated to be 64 unsecured creditors in the total sum of £380,404.25. An outcome has been achieved for unsecured creditors of 100p in the £ plus statutory interest. The total amount paid to unsecured creditors was £316,760.65 and this was paid on 10 January 2018. Statutory interest totalling £31,771.76 was also paid to unsecured creditors on 10 January 2018.
- 6.5 An equalising dividend was paid to two unsecured creditors on 09 July 2018 totalling £5,220.22.

7. JOINT SUPERVISORS' REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by reference to the time properly given by us (as Supervisors) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters arising in the Arrangement, limited to 20% of total asset realisations, and we are 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 are attached at Appendix 2 of this report.

Our time costs for the period from 17 October 2017 to 08 October 2018 amount to £19,499.50 which represents 77.8 hours at an average rate of £250.64 per hour. An analysis of time costs incurred in this period is attached at Appendix 2 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. It is intended that the Time Costs Analysis and the information contained in this report will provide sufficient information to enable creditors to consider the level of those fees in the context of the case.

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

- ☐ Begbies Traynor (Central) LLP's charging policy
- ☐ Time Costs Analysis for the period 17 October 2017 to 08 October 2018
- ☐ Cumulative Time Costs Analysis for the period from 17 October 2016 to 08 October 2018

For the period from 17 October 2017 to 08 October 2018 we have drawn the sum of £16,505.00 by way of remuneration plus disbursements of £99.00.

We confirm that since our appointment to 08 October 2018, we have drawn the total sum of £42,735.50 by way of remuneration plus disbursements of £1,277.60.

A copy of 'Voluntary Arrangements – A Creditors' Guide to Insolvency Practitioners' Fees (E&W) 2011' which provides guidance on creditors' rights can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy.

Supervisors' disbursements

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

Photocopying: £37.20

Expenditure incurred to date

No significant expenditure has been incurred to date which requires further explanation in accordance with SIP 7; all costs in the CVA have been explained earlier in this report and in our previous report.

Why have subcontractors been used?

No subcontractors have been used.

8. OTHER RELEVANT INFORMATION



Use of personal information

Finally, please note that notwithstanding that the CVA is being brought to an end, in the course of discharging our remaining duties as Supervisors, 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 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 contact us.

9. CONCLUSION

In light of the above information and the issuing of the Certificate of Full Implementation, the Arrangement has come to an end.

Explanation as to our intentions with regard to vacating office is provided in correspondence under separate cover.

Lloyd Biscoe
Joint Supervisor

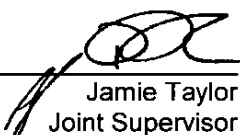
Dated: 08 October 2018

Joint Supervisors' Account of Receipts and Payments

Period: 17 October 2018 to 08 October 2018

**Voluntary Arrangement of
Basildon Bakeries Limited
Joint Supervisors' Summary of Receipts & Payments**

Statement of Affairs £	From 17/10/2017 To 08/10/2018 £	From 17/10/2016 To 08/10/2018 £
ASSET REALISATIONS		
Freehold Property - Unit 9	NIL	240,541.77
Freehold Property - Unit 11	NIL	190,000.00
Freehold Property - Unit 15	NIL	273,116.80
Net proceeds of Chattel assets	NIL	34,240.51
Contribution to Legal Fees	NIL	1,829.00
Bank Interest Gross	762.49	762.49
Contribution to costs of winding up	NIL	3,500.00
Vehicle Tax Refund	NIL	95.00
	<u>762.49</u>	<u>744,085.57</u>
COST OF REALISATIONS		
Specific Bond	NIL	342.00
Office Holders Fees	16,505.00	42,735.50
Office Holders Expenses	37.20	229.60
Accountants Fees	6,500.00	6,500.00
Agents Fees	1,500.00	1,500.00
Legal Fees (1)	NIL	529.00
VAT recoverable by the Company	1,520.00	1,520.00
Stationery & Postage	66.30	181.50
Pension Costs	600.00	600.00
	<u>(26,728.50)</u>	<u>(54,137.60)</u>
PREFERENTIAL CREDITORS		
(19,160.43) RPO re Arrears/Holiday Pay	NIL	8,568.43
Employees re Arrears/Hol Pay	NIL	9,059.20
	<u>NIL</u>	<u>(17,627.63)</u>
UNSECURED CREDITORS		
(51,067.01) Trade Creditors	71,685.82	71,685.82
(271,864.24) Employees	NIL	NIL
RPO	225,303.79	225,303.79
(57,473.00) HMRC (non VAT)	56,763.02	56,763.02
	<u>(353,752.63)</u>	<u>(353,752.63)</u>
DISTRIBUTIONS		
Payment of Surplus to Company	318,567.71	318,567.71
	<u>(318,567.71)</u>	<u>(318,567.71)</u>
(399,564.68)	<u>(698,286.35)</u>	<u>(0.00)</u>
REPRESENTED BY		
		<u><u>NIL</u></u>


Jamie Taylor
Joint Supervisor

Joint Supervisors' Time Costs and Expenses

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 17 October 2017 to 08 October 2018; and
- c. Cumulative Time Costs Analysis for the period from 17 October 2016 to 08 October 2018.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

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

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

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

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

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

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

Best practice guidance classifies expenses into two broad categories:

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

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*).

In addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as *Category 2 disbursements*. The following items of expenditure which relate to services provided by entities within the Begbies Traynor Group are to be charged to the case (subject to approval):

Services provided by other entities within the Begbies Traynor group

The following items of expenditure which relate to services provided by entities within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval):

Instruction of Eddisons Commercial Limited to provide assistance with the sale of assets. Their charges will be based on a percentage of realisations plus disbursements.

Instruction of Eddisons Commercial Limited to provide a valuation of the Company's physical assets. Their charges will be based on a fixed fee to be agreed plus disbursements.

In addition to the services detailed above, it may become necessary to instruct Eddisons Commercial Limited to provide additional services, not currently anticipated, during the course of the case. In such circumstances and to avoid the costs associated with seeking further approval, the charges for such services will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows:

Grade of staff	Charge-out rate (£ per hour)
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

Instruction of Eddisons Insurance Services Limited to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the

case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The costs of insurance cover for subsequent quarter periods will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case. Eddisons Insurance Services Limited is not paid from the assets of the estate for the services it provides. In accordance with standard insurance industry practice, Eddisons Insurance Services Limited will receive payment of commission for the services it provides directly from the open cover insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

Services provided by an entity in which an Office Holder has an interest

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 Southend-on-Sea as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour)	Charge-out rate (£ per hour)
	1 May 2011 – 30-Apr-16	1 May 2016 – until further notice
Partner	495	495-550
Director	395	395
Senior Manager	365	365
Manager	315	315
Assistant Manager	270	285
Senior Administrator	235	250
Administrator	185	220
Trainee Administrator	160	n/a
Junior Administrator	n/a	160
Support	160	n/a
cashier	n/a	160
secretarial	n/a	160

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.

The office holder may use the services of BTG Contentious Insolvency Division during the course of the case. BTG Contentious Insolvency Division is a specialist department of the office holder's firm which provides forensic investigating services. The current charge-out rates applying to work carried out by BTG Contentious Insolvency Division are as follows:

Grade of staff	Charge-out rate (£ per hour)	Charge-out rate (£ per hour)
	1 May 2011 – 30-Apr-16	1 May 2016 – until further notice
Director	395	395
Senior Manager	365	365
Assistant Manager	270	285

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

² Ibid 1

SIP9 Basildon Bakeries Limited - Company Voluntary Arrangement - 03BA293.CVA : Time Costs Analysis From 17/10/2017 To 08/10/2018

Staff Grade	Consultant/Partner	Director	Sr. Mgr	Mgr	Asst Mgr	Sr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	1.4	0.7	1.7	9.3		6.0			19.1	5,489.50	287.41
	Administration	2.7	0.7	3.6			8.9	1.4		17.3	4,386.00	253.53
	Total for General Case Administration and Planning:	4.1	1.4	5.3	9.3		14.9	1.4		36.4	9,875.50	271.30
Compliance with the Insolvency Act, Rules and best practice	Appointment											0.00
	Banking and Bonding	1.7					0.7	0.2	7.9	10.5	2,179.50	207.57
	Case Closure						3.6			3.6	666.00	185.00
Investigations	Statutory opening and statement of affairs		0.6				6.2			7.0	1,463.00	209.00
	Total for Compliance with the Insolvency Act, Rules and best practice:	1.7	0.6				10.5	0.2	7.9	21.1	4,350.00	204.16
	CICA and investigations											0.00
Realisation of assets	Total for investigations:											0.00
	Debt collection											0.00
	Property, business and asset sales		0.1							0.1	39.50	395.00
Trading	Retention of Title/Third party assets											0.00
	Total for Realisation of assets:		0.1							0.1	39.50	395.00
	Trading											0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Total for Trading:											0.00
	Secured											0.00
	Others	2.3	1.8		2.1		8.1			14.3	3,779.50	264.30
Other matters which includes seeking decisions of creditors meetings, tax, litigation, pensions and travel	Creditors committee											0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:	2.3	1.8		2.1		8.1			14.3	4,179.00	294.30
	Seeking decisions of creditors											0.00
Total hours by staff grade:	Meetings	1.0		0.3						1.3	504.50	388.08
	Other		0.3		0.6		3.1			4.0	881.00	220.25
	Tax						0.6			0.6	111.00	185.00
Total time cost by staff grade:	Litigation											0.00
	Total for Other matters:	1.0	0.3	0.3	0.6		3.7			6.9	1,496.50	216.64
	Total hours by staff grade:	9.1	4.4	2.0	15.6		37.2	1.6	7.9	77.8		
Average hourly rate £:	Total time cost by staff grade:	3,715.50	1,738.00	730.00	4,914.00		8,882.00	256.00	1,384.00		19,499.50	
	Average hourly rate £:	408.30	395.00	365.00	315.00	0.00	183.00	160.00	160.00			250.64
	Total fees drawn to date £:										42,735.50	

SIP9 Basildon Bakeries Limited - Company Voluntary Arrangement - 03BA293.CVA : Time Costs Analysis From 17/10/2016 To 08/10/2018

Staff Grade	Consultant/Partner	Director	Sr Mngr	Mngr	Asst Mngr	Sr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	3.6	4.0	1.7	14.0			6.9	0.1		30.3	9,325.00	307.76
	6.6	0.8		12.0			11.4	7.5		38.3	10,100.00	263.71
	10.2	4.1	1.7	30.9			14.3	7.9		64.8	19,060.00	294.16
Compliance with the Insolvency Act Rules and best practice								2.5		2.5	400.00	160.00
	3.9						7.0	0.9	9.0	20.8	4,612.00	221.73
							3.6			3.6	666.00	185.00
	1.4	0.8		0.3			6.2			8.7	2,110.50	242.59
	6.3	0.9		0.3			14.3	3.4	8.0	34.8	7,768.00	223.47
Investigations												0.00
												0.00
Realisation of assets												0.00
	2.1	0.9		5.3				0.4		8.7	2,918.50	335.46
								0.1		0.1	16.00	160.00
	2.1	0.9		0.3				0.8		0.9	3,064.00	333.47
Trading												0.00
												0.00
Dealing with all creditors claims (including employees, correspondence and distributions)												0.00
	3.6	5.0		18.6		0.7	17.0	11.5		56.6	14,517.50	256.49
												0.00
	3.8	6.0		18.3		0.7	17.9	11.6		58.0	14,977.00	258.20
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel												0.00
	1.2	0.3	0.3	1.0			3.1			1.5	594.50	396.33
				0.9			0.7	0.6		4.4	1,007.00	228.66
										2.2	509.00	231.36
												0.00
	1.2	0.3	0.3	1.9			3.8	0.8		6.1	2,110.00	345.25
	22.8	11.8	2.0	52.1		0.7	55.9	23.6	9.0	177.7		
	9,251.50	4,681.00	730.00	16,411.50		184.50	10,341.50	3,778.00	1,440.00		46,776.00	
	400.36	365.00	365.00	315.00	0.00	235.00	185.00	160.00	160.00			263.23
											42,735.50	

Statement of Expenses

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Postage	Royal Mail	54.60	54.60	0
Pension Costs	Clumber Consultancy Limited	600.00	600.00	0
Expenses incurred with entities within the Begbies Traynor Group (<i>for further details see Begbies Traynor Charging Policy</i>)				
Photocopying	Begbies Traynor (Central) LLP	37.20	37.20	0

Cumulative Statement of Expenses

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Specific Bond	AUA Insolvency Risk Services	342.00	342.00	0
Accountants Fees	Michael Letch & Partners LLP	6,500.00	6,500.00	0
Agents Fees	Jacqueline Hobday	1,500.00	1,500.00	0
Legal Fees	BTMK Solicitors Limited	529.00	529.00	0
Postage	Royal Mail	181.50	181.50	0
Pension Costs	Clumber Consultancy Limited	600.00	600.00	0
Expenses incurred with entities within the Begbies Traynor Group (<i>for further details see Begbies Traynor Charging Policy</i>)				
Photocopying	Begbies Traynor (Central) LLP	229.60	229.60	0