

# AM10

## Notice of administrator's progress report



Companies House

SATURDAY



A14 \*A8L806W0\* 28/12/2019 #112  
COMPANIES HOUSE

### 1 Company details

Company number 0 2 8 2 3 7 2 0

Company name in full Mayfair Brassware Limited

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

### 2 Administrator's name

Full forename(s) Julian

Surname Pitts

### 3 Administrator's address

Building name/number Fourth Floor

Street Toronto Square

Post town Toronto Street

County/Region Leeds

Postcode L S 1 2 H J

Country

### 4 Administrator's name ①

Full forename(s) Lee

Surname Lockwood

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

### 5 Administrator's address ②

Building name/number Fourth Floor

Street Toronto Square

Post town Toronto Street

County/Region Leeds

Postcode L S 1 2 H J

Country

② Other administrator  
Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	<sup>d</sup> 2	<sup>d</sup> 8	<sup>m</sup> 0	<sup>m</sup> 5	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9
To date	<sup>d</sup> 2	<sup>d</sup> 7	<sup>m</sup> 1	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9

### 7 Progress report

☐ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X

*L. Lockwood*

X

Signature date

<sup>d</sup> 2	<sup>d</sup> 3	<sup>m</sup> 1	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9
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# AM10

## Notice of administrator's progress report



### 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 **Ben Fallon**

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

Address  
**Fourth Floor**  
**Toronto Square**

Post town **Toronto Street**

County/Region **Leeds**

Postcode **L S 1 2 H J**

Country

DX **leeds@begbies-traynor.com**

Telephone **0113 244 0044**



### 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 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

Julian Pitts and Lee Lockwood were appointed Joint Administrators on 28 May 2019

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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## **Mayfair Brassware Limited (In Administration)**

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Progress report of the Joint Administrators

Period: 28 May 2019 to 27 November 2019

## **Important Notice**

This progress report has been produced by the Administrators solely to comply with their statutory duty to report to creditors on the progress of the Administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever

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# 1. INTERPRETATION

<b><u>Expression</u></b>	<b><u>Meaning</u></b>
"the Company"	Mayfair Brassware Limited (In Administration)
"the Administration"	The appointment of Administrators under Schedule B1 to the Insolvency Act 1986 on 28 May 2019
"the Administrators" "we" "our" and "us"	Julian Pitts of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ and Lee Lockwood of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and  (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

## 2. STATUTORY INFORMATION

Name of Company	Mayfair Brassware Limited
Trading name	Mayfair Brassware
Date of Incorporation:	3 June 1993
Company registered number:	02823720
Company registered office:	Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ

## 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the Administrators:	Julian Pitts, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ and Lee Lockwood, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ
Date of Administrators' appointment:	28 May 2019
Court:	High Court of Justice, Business and Property Courts in Leeds, Insolvency and Companies List (ChD)
Court Case Number:	CR-2019-LDS-000552
Person(s) making appointment:	The directors of the Company
Acts of the Administrators:	The Administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an Administrator may be done by any one or more persons holding the office of Administrator from time to time.
EU Regulation on Insolvency Proceedings:	Regulation (EU) 2015/848 of the European Parliament and of the Council applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.
Extensions of the Administration period	There have been no previous extensions to the Administration period.

## 4. PROGRESS DURING THE PERIOD

### Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 28 May 2019 to 27 November 2019.

**What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?**

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details>. Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2.

#### General case administration and planning

Time has been spent in populating and maintaining the virtual electronic case files. We have continued to ensure that we have an accurate and complete record of how the case is being administered, including fully documenting the reasons for any decisions that have been made.

Regular internal meetings have been held between the case staff in order to carry out the following:

- Review the strategy in relation to realisations of the Company's freehold property and chattel assets;
- Review of the strategy in relation to the outcome of the investigations undertaken and whether any action is deemed appropriate; and
- Carrying out internal case reviews to ensure all matters are being dealt with in accordance with statutory obligations and best practice and that matters are progressing.

In addition, a large quantity of current and historic company records were held at the Company's former trading premises in Sherburn-in-Elmet. We reviewed all records, collected and retained the important documentation and arranged for the rest to be securely destroyed in accordance with the General Data Protection Regulation (EU) 2016/679. The sum of £428 has been paid to Restore Datashred for the services provided in this regard.

Whilst this work is of no direct financial benefit to creditors, we are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case. These meetings will assist with the sale of the Company's assets.

#### Compliance with the Insolvency Act, Rules and best practice

We have provided initial statutory notifications of our appointment to the creditors, shareholders and other stakeholders, and advertised our appointment in the London Gazette. We have paid the sum of £85 to Courts Advertising Limited in this respect.

In addition, we have produced and circulated our Statement of Proposals to creditors to provide details of their appointment and the anticipated outcome for creditors. The Statement of Proposals has been sent to creditors during the period, as well as to a number of other bodies, including the Registrar of Companies.



Once a company enters into Administration, the directors have a duty to provide details of the Company's financial position as at the date of our appointment. We have written to the directors to notify them of their duty and followed up to assist with their enquiries.

We have also monitored realisations during the period to ensure that the statutory bond is sufficient to cover the value of total realisations during the administration in order to protect the interests of the Company's creditors. Furthermore, the bonding position has been reviewed in the period to ensure our initial calculation and bond level remain sufficient. The cost of the statutory bond is £400 and remains unpaid to date

Our cashier has spent time in reconciling the bank account and processing receipts and payments within the period.

Whilst this work is of no direct financial benefit to creditors, it is necessary in accordance with the Act, Rules and best practice.

#### Investigations

Since our appointment, we have undertaken investigations regarding the conduct of the directors and reported to the Department for Business, Energy and Industrial Strategy. We can confirm that we have discharged our duty in this respect. This has included a review of the Company's bank account statements.

#### Realisation of assets

##### **Book Debts**

Cerberus Receivables Management Limited ("Cerberus") has continued to collect the outstanding book debt ledger factored to Lloyds Bank Commercial Finance Limited ("LBCF"). Collections to date total £156,846. Cerberus have advised that they have finalised collection and that disputes totalling £89,501 will not be collectable.

Although the realisations exceed the level of LBCF outstanding indebtedness of £157,012, the fees incurred by Cerberus have resulted in a shortfall in the region of £3,000 to LBCF. These figures are not yet included in the receipts and payments account as we are awaiting for confirmation of the final position from Cerberus.

As Cerberus have now finalised their collection, we will consider requesting a reassignment of the ledger to pursue the remaining amounts due and a potential claim for bad debt relief to reduce HMRC's claim in the Administration.

We have paid BTG Corporate Solutions Limited, a member of the Begbies Traynor Group, the sum of £500 in respect of the work undertaken prior to our appointment, as agreed by creditors.

##### **Stock**

The Company owned a large quantity of brassware and radiator stock on appointment. The stock was assessed and valued by Eddisons Commercial Limited ("Eddisons") and marketed for sale.

We considered the position with regard to retention of title on this stock with our agents, Eddisons. Creditors were given the opportunity to claim, however, as no claims were received, we continued with the marketing exercise.

This eventually cumulated in two offers being put forward. One offer in the sum £53,000 in respect of radiator stock and one in the sum of £75,000 in respect of the brassware stock. These offers were accepted, as recommended by Eddisons. The full sale proceeds have now been received

### **Plant & Machinery – Unencumbered**

The Company owned unencumbered plant and machinery, which consisted of warehouse racking and other warehouse equipment, office furniture and computer equipment. Following the online auction held by Eddisons, we realised the total sum of £18,500.

### **Motor Vehicles – Subject to Finance**

The Company had three vehicles on lease from three separate finance providers. Time has been spent liaising with the finance providers and arranging for assets to be returned.

### **Mayfair House, Hurricane Close, Lancaster Business Park, Sherburn-In-Elmet**

As creditors are aware, Eddisons have been instructed to market and sell the Company's freehold property, with an asking price of offers in the region of £1.2m. The property remains on the market with a view to achieving a sale as soon as possible.

As the property is unoccupied, we have incurred security costs of £3,045 with Eddisons, of which we have paid £2,565. In addition, we have paid utility costs totalling £5,910 since our appointment.

### **Other Assets and Costs Paid to Date**

The following assets have also been realised during the Administration: cash at bank (£11,085), book debts (£21) and bank interest (£30).

The sum of £5,000 was paid to Buckle Barton Limited for their assistance in preparing the statement of affairs for the Company and £6,200 to Eddisons Insurance Services Limited for insurance of the Company's assets to the end of October 2019. In addition, £1,508 has been paid to BHP Corporate Solutions with regard to post appointment information provided to assist us with our duties.

Solicitors, Square Patton Boggs LLP, have been paid £4,318 in respect of their costs and disbursements since our appointment and £2,992 in respect of the costs and disbursements incurred prior to our appointment, as agreed by creditors.

We have paid the sum of £1,500 to BTG Corporate Finance LLP, a member of the Begbies Traynor Group, in respect of the work undertaken with regard to the accelerated marketing exercise undertaken prior to our appointment.

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

Initially a sale of the business and assets was sought and marketing was undertaken accordingly. The staff members were retained to assist with the accounting functions, finalising the payroll, assisting with collating the relevant employee and sale information, logistical assistance, and, to assist us in seeking a potential buyer for the Company as all staff costs were paid up until 31 May 2019.

This was essential in order to collate the information to assist the employees making their claims for monies owed. In addition, as an element of the Company records were paperless, the staff were utilised to extract the relevant documentation.

As a sale of the business did not materialise, the six members of staff were made redundant on 31 May 2019. The claims and queries of the employees have been dealt with by us and The Insolvency Service. This included our staff attending site to assist the employees with submission of their claims.

Due to the nature of the Company's business and the amounts outstanding to a number of large creditors, there have been a significant number of enquiries from the creditors requesting further information in respect of the

insolvency. Dealing with the correspondence and claims submitted is very time intensive and is necessary to keep creditors informed as matters progress.

We have also provided updates to the Company's two secured creditors, Lloyds Bank plc and LBCF, throughout the Administration to keep them apprised.

Any financial benefit to creditors in carrying out the above work is unclear at present however creditors will receive updates on these matters in future progress reports.

*Other matters which includes seeking decisions of creditors via deemed consent procedure and/or decision procedures, meetings, tax, litigation, pensions and travel*

Discussions and meetings have been held with parties to establish the Company's current position, mainly in relation to sale negotiations.

We have also travelled to and from the trading premises in Sherburn-In-Elmet, Leeds during the period whilst we were seeking a purchaser for the business. This was essential in order to oversee the post appointment operations and assist with the decision making processes.

The Company operated a pension scheme for its employees. We have been in correspondence with the scheme provider to notify them of the Administration and to establish the employees' outstanding pension contributions to enable us to submit claims on their behalf to the Insolvency Service for the unpaid contributions.

We sought a decision of creditors following issue of our Statement of Proposals in order to agree the basis of our remuneration, disbursements, approval of the proposals and our discharge as Administrators once the Administration has concluded. Time was spent issuing the relevant paperwork and monitoring creditor responses to the resolutions, which were all passed

Time under this heading has also been spent dealing with the Company's tax matters, including option to tax, terminal tax loss relief, potential chargeable gains following sale of the freehold property and completion of VAT returns.

Whilst this does not benefit creditors financially, it is necessary to ensure the efficient and compliance progression of the Administration, which ensures that we carry out our work to high professional standards.

## 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 creditors**

#### ***Lloyds Bank Commercial Finance Limited***

As discussed above, LBCF have received the majority of the monies owed following the book debt collection exercise undertaken by Cerberus. The residual balance due to LBCF, estimated at £3,000, is likely to be repaid in full following the sale of Mayfair House as a result of their security over the property.

### ***Lloyds Bank plc***

As previously advised, Lloyds Bank plc will also be repaid in full following the sale of Mayfair House.

### ***Trustees of Mayfair Brassware Limited Directors' Pension Scheme***

The pension scheme is expected to have their debt repaid in full during the Administration or subsequent Liquidation

### **Preferential creditors**

We consider that there will be sufficient funds for a dividend to be paid to preferential creditors.

### **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.

We have estimated, to the best of our knowledge and belief, the Company's net property, as defined in Section 176A(6) of the Act, to be £220,970 and the prescribed part of the Company's net property to be £47,194.

We anticipate that all secured creditors will be paid in full in accordance with their security. If this transpires, the prescribed part will no longer be applicable.

### **Unsecured creditors**

Based upon realisations to date and estimated future realisations we are anticipating that there will be sufficient funds available to enable a dividend to be paid to the unsecured creditors.

### **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**

On 2 August 2019 the following amounts in respect of unpaid pre-administration costs were approved by decision of creditors sought via a Decision Procedure:

<b>Description</b>	<b>Name of recipient</b>	<b>Net amount £</b>	<b>VAT £</b>	<b>Gross amount £</b>
Our fees in relation to the Work Disbursements	Bebbies Traynor (Central) LLP	50,377.50	10,075.50	60,453.00
		252.00	50.40	302.40
Legal costs Disbursements	Squire Patton Boggs (UK) LLP	2,942.00	588.40	3,530.40
		55.16	11.03	66.19
Agents costs (property)	Eddisons Commercial Limited	950.00	190.00	1,140.00

Agents costs (chattel assets)	Eddisons Commercial Limited	3,500.00	700.00	4,200.00
Disbursements		75.00	15.00	90.00
Debt collection advice	BTG Advisory LLP	500.00	100.00	600.00
Corporate finance costs	BTG Advisory LLP	1,500.00	0.00	1,500.00
<b>TOTAL PRE-ADMINISTRATION COSTS</b>		<b>60,151.66</b>	<b>11,730.33</b>	<b>71,881.99</b>

## 7. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by reference to the time properly given by us and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters as set out in the fees estimate in the sum of £142,573.

We are also authorised to draw disbursements for services provided by our firm and/or entities within the Begbies Traynor Group, in accordance with our firm's policy, details of which accompanied the Statement of proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report.

Our time costs for the period from 28 May 2019 to 27 November 2019 amount to £136,601 which represents 399 hours at an average rate of £343 per hour. Further information in relation to our time costs is set out at Appendix 2 and provides details of the work undertaken by us and our staff following our appointment only.

To 27 November 2019, we have not drawn any sums on account of our remuneration, against total time costs of £136,601 incurred since the date of our appointment.

As can be seen from the information above, we are close to the limit of our previously approved estimate. The reason why the previously approved estimate is likely to be exceeded is as a result of the delays incurred in respect of the realisation of the Company's freehold property and the actions required in order to complete a sale to discharge the secured creditors' security.

In light of the above, we are obliged to provide creditors with details of the additional work that we propose to undertake along with details of the time and cost of that additional work. This information appears at Appendix 2. We do not anticipate that we will need to seek further approval following the proposed increase to our estimate. For the avoidance of any doubt, should our time costs not reach the level in our fees estimate, we will not draw fees in excess of the time costs we incur.

We are seeking creditors' approval of our further estimate via a decision procedure by way of correspondence. The documentation which we require creditors to complete and return has been sent separately.

### Disbursements

To 27 November 2019, we have also not drawn any disbursements. The Category 1 disbursements we have incurred are as follows:

Type and purpose	Amount £
Bond	400.00
Parking	26.67
Swear fee	10.00
Search fees	3.00
<b>TOTAL</b>	<b>439.67</b>

## Category 2 Disbursements

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been incurred during the period of this report in accordance with the approval obtained in the total sum of £32,691 are as follows:

<b>Other amounts paid or payable to the office holder's firm</b>	
<b>Type and purpose</b>	<b>Amount £</b>
Mileage – 500 miles at 45 pence per mile	225.00
<b>TOTAL</b>	<b>225.00</b>

## Disbursements treated as Category 2 disbursements

<b>Other amounts paid or payable to any party in which the office holder or his firm or any associate has an interest</b>	
<b>Type and purpose</b>	<b>Amount £</b>
Eddisons Commercial Limited, which is a member of the Begbies Traynor Group, has provided asset valuations and organised the auction and sale of the Company's stock and other assets.	Fees - 19,703.20  Disbursements – 2,565.87
RemoteZone, which is a member of the Begbies Traynor Group, has provided security services for the Company's freehold property whilst it is vacant. This is a requirement of the insurance providers.	3,044.67
Eddisons Insurance Services Limited ("EIS"), which is a member of the Begbies Traynor Group, has provided insurance brokerage services, having arranged open cover insurance in relation to the Company's assets.  As well as charges for insurance, EIS may also charge an administration fee where relevant and appropriate. If applicable to this case so far, the charges are also described here	7,151.92
<b>TOTAL</b>	<b>32,465.66</b>

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2017 which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at [www.begbies-traynor.com/creditorsguides](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.

### **Expenses actually incurred compared to those that were anticipated**

Creditors will recall that we estimated that the expenses of the Administration would total £89,008. That estimate has not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged.

### **Legal fees**

Square Patton Boggs LLP have been instructed to assist us during the Administration and to provide legal advice generally on all matters arising throughout. The following details the matters dealt with to date:

- Preparation of a security review in respect of the various charges;
- Providing advice in relation to any potential director loan accounts; and
- Initial advice in respect of the Company's freehold property.

### **Eddisons Commercial Limited**

Eddisons are an associated party to the Begbies Traynor Group. Eddisons are providers of insurance services, property valuation and sale agents and chattel agents.

Full details of the costs incurred to date are set out below:

#### Chattel Assets

Eddisons' fees in this respect are based on 10% of realisations together with additional time costs, which currently stand at £19,703 as at the date of this report. Their costs have been incurred dealing with: meeting with prospective interest parties in the business, liaising with finance companies and return of third party assets. They have also incurred disbursements in the sum of £2,566 in respect of: preparation of assets for auction and arranging site clearance in preparation for sale of the freehold property.

#### Property

Eddisons have also been instructed to market and sell the freehold property. Their fees have been agreed at 2% of gross realisations plus marketing costs estimated to be in the region of £2,500.

#### Security

Remotzone, a trading style of Eddisons, have incurred fees and disbursements of £3,044 in respect of arranging and providing security to the freehold property, as well as lock changes and other provisions to ensure that the property is insurance compliant.

#### Insurance

Eddisons Insurance Services Limited are the brokers instructed to insure the Company's assets during the period of our appointment.

The insurance premium to the end of November 2019 is £7,152, of which £6,200 has been paid to date.

## 9. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

**What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?**

The principal matters to be dealt with are as follows:

- Continuing with the marketing of the Company's freehold property and concluding a sale of the same;
- Seeking updates in respect of the Company's outstanding book debt ledger and pursuing the reassigned ledger, if applicable; and
- Deal with the formalities of exiting the Administration.

### General case administration and planning

As the Administration progresses, updates will need to be made to the strategy dependent upon the outcome of the realisations and investigations. This will include meetings between members of staff to formulate the strategy moving forward and ensure that the strategy is achieved.

We are also required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case on an ongoing basis. This will include compliance reviews, internal checklist updates, periodic case reviews and maintaining case files.

Whilst this work will not benefit creditors financially, it is necessary to ensure efficient progress of the case and is required in accordance with the law and by our regulatory body.

### Compliance with the Insolvency Act, Rules and best practice

We are required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the Administration, which ensures that we carry out work to high professional standards.

We will draft and issue interim progress reports on a six monthly basis to provide an update to the creditors of the progress made during the Administration. These documents will be filed to meet statutory requirements.

In addition, a final progress report will have to be produced once the Administration has reached its conclusion. This will provide creditors with an overview of the Administration, including all realisations, costs and the final outcome for creditors.

Should the Administration need to be extended beyond its statutory term of 12 months, we have a duty to seek an extension, firstly from the creditors and subsequently by Order of the Court, should a further extension be required.

We will also continue to monitor realisations and compare to the statutory bond level to ensure that sufficient cover is in place at all times in order to protect the interests of the Company's creditors.

Time will be spent in monitoring and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments.



### Investigations

We will continue to undertake investigations regarding the conduct of the directors and reporting thereon investigations into the affairs and transactions of the Company as and when required.

It is unclear at present whether the work carried out will lead to any financial benefit to creditors due to the information available.

### Realisation of assets

We will continue to correspond with Eddisons with regard to the sale of the Company's freehold property to ensure that the sale is adequately progressed. In addition, should the book debt ledger be reassigned to us, we will seek to pursue the outstanding book debts due to the Company.

Any realisations in this respect will form part of the funds available in the Administration and subsequently for the benefit of creditors.

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

We will continue to deal with the number of different classes of creditors involved in the Administration. This will include continuing to liaise with the secured creditors in relation to the sale of assets subject to their security, examine the validity of the secured creditors' security and pay distributions to the secured and preferential creditors.

Time will be spent maintaining the database as regards creditors' contact details and claims, responding to creditors' queries and logging their claims and supporting information.

### Other matters which includes seeking decisions of creditors via the deemed consent procedure and/or decision procedures, meetings, tax, litigation, pensions and travel

We will be seeking a decision from unsecured creditors on approval of our increased fee estimate.

Time will also be spent holding internal and external meetings.

In accordance with law and best practice we will also ensure submission of VAT and corporation tax returns to HMRC in respect of the Administration period.

Whilst the above work will not benefit creditors financially, it is necessary in accordance with statutory requirements and best practice.

### **How much will this further work cost?**

As detailed in the increased fee estimate attached at Appendix 2, we estimate additional total time costs for the Administration to total £37,925, bringing total time costs in respect of this matter to £180,498. Please be advised that this is just an estimate based upon the time spent on similar historic cases.

### **Expenses**

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the estimate of anticipated expenses sent to creditors on 16 July 2019 which included all of the expenses that we anticipate that we will incur throughout the Administration.

## 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, Energy and Industrial Strategy 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.

### **Extension of Administration**

If we are unable to complete a sale of Mayfair House prior to the expiration of the Administration on 27 May 2020, we will seek a decision of creditors via the deemed consent procedure for an extension to the Administration for a period of 12 months to conclude asset realisations

### **Proposed exit route from Administration**

Our proposed exit route remains in line with our Statement of Proposals.

### **Use of personal information**

Please note that in the course of discharging our statutory duties as Joint Administrators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

## 11. CREDITORS' RIGHTS

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

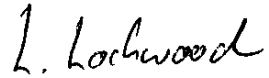
Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been incurred during the period of this progress report

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

Pursuant to Rule 18.34 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of 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.

A handwritten signature in black ink, reading "L. Lockwood". The signature is written in a cursive, flowing style.

**Lee Van Lockwood**  
Joint Administrator

Dated: 23 December 2019

# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 28 May 2019 to 27 November 2019

S of A £		£	£
	SECURED ASSETS		
1,200,000.00	Freehold Land & Property	NIL	
100,000.00	Book Debts	NIL	NIL
	SECURED CREDITORS		
(390,850.00)	Lloyds Bank plc	NIL	
(157,012.36)	Lloyds Bank Commercial Finance Limit	NIL	NIL
	HIRE PURCHASE		
17,050.00	HP Asset	NIL	
(17,930.00)	HP Liabilities	NIL	NIL
	ASSET REALISATIONS		
7,060.00	Plant & Machinery	13,718.00	
580.00	Furniture & Equipment	4,782.00	
128,000.00	Stock	128,000.00	
	Book Debts	20.89	
11,085.00	Cash at Bank	11,084.53	
	Bank Interest Gross	29.60	157,635.02
	COST OF REALISATIONS		
	Security Costs	2,564.67	
	Pre Appointment Legal Fees & Disbs	2,992.00	
	Legal Fees & Disbursements	4,317.60	
	Debt Collection Costs	500.00	
	Accountants Fees	6,507.50	
	Corporate Finance	1,500.00	
	Statutory Advertising	87.48	
	Insurance of Assets	6,200.00	
	Utility - Water	138.47	
	Utility - Electricity	4,555.51	(29,363.23)
	PREFERENTIAL CREDITORS		
(9,681.00)	Employees re Arrears/Hol Pay	NIL	NIL
	FLOATING CHARGE CREDITORS		
(11,817.00)	Mayfair BrasswareDirector Pension Sc	NIL	NIL
	UNSECURED CREDITORS		
(1,009,784.00)	Trade Creditors	NIL	
(34,929.00)	Employees	NIL	NIL
	DISTRIBUTIONS		
(337,262.00)	Issued and Called Up Capital	NIL	
(133,693.00)	Share Premium	NIL	NIL
<b>(639,183.36)</b>			<b>128,271.79</b>
	REPRESENTED BY		
	Vat Receivable		2,970.07
	Bank 1 Current		125,301.72
			<b>128,271.79</b>

## TIME COSTS INFORMATION

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 28 May 2019 to 27 November 2019; and
- c. Estimated increase to our approved fees estimate.

## **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. 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 guidance<sup>2</sup> 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 physical 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 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,

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

<sup>2</sup> Ibid 1

*Expenses which should be treated as Category 2 disbursements (approval required)* – 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.

***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 valuation advice in relation to the Company's chattels and to provide assistance in the disposal of the same.

Their charges will be calculated at 10% of assets realisations plus on a time costs basis at the prevailing hourly rates for additional required work for their various grades of staff which are currently as follows:

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

Eddisons Commercial Limited estimate that their charges for providing the services will be between £17,500 and £25,000

Instruction of Eddisons Commercial Limited to provide property valuation, marketing and sale services. Their charges will be equivalent to 2% of realisations plus marketing disbursements.

Eddisons Commercial Limited are also instructed to provide risk management services, in particular the management of insurance compliance works for vacant properties. Their charges for providing these services will be calculated £300 per month for security measures plus any set up, removal and call out charges.

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:

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

Instruction of Eddisons Insurance Services Limited ("EIS") 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 forecasted cost of insurance for the 3 month period immediately following appointment is £6,200 inclusive of Insurance Premium Tax. 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.

In accordance with standard insurance industry practice, EIS will receive payment of commission for the services it provides from the 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.

EIS will invoice the insolvent estate for the premium(s) due on the insurer's behalf and receive payment from the estate. EIS will in turn, account to the insurer for the premium(s) payable after deducting any commission payable by the insurer.

(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

#### **Additional payments received by Eddisons Commercial Limited from purchasers where assets are disposed of by way of auction**

In addition to the charges of Eddisons Commercial Limited detailed above for providing the services to the office holder, where any machinery and business assets (other than freehold/leasehold property) are disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's premium, equivalent to 15% of the successful bid. Where any freehold/leasehold property is disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's administration fee, in the sum of £600. It is standard auction industry practice for a buyer's premium and buyer's administration fee to be charged. The buyer's premium and buyer's administration fee is paid by the purchaser of the assets and is not paid by the office holder from the assets of the estate.

#### **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 Leeds office as at the date of this report are as follows:

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



Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

SIP9 Mayfair Brassware Limited - Administration - 80MA055.ADM : Time Costs Analysis From 28/05/2019 To 27/11/2019

[illegible]

## THE ADMINISTRATORS' ESTIMATE OF THE INCREASED FEES THAT THEY WILL INCUR

Further to the information set out in the report, the Administrators anticipate that in addition to their fees estimate dated 16 July 2019 in the sum of £142,572.50 the following further fees will be incurred to conclusion of the Administration. Please note that blended hourly rates have been used (as they were for the original estimate) which take account of the various levels of staff that are likely to undertake each area of work. These can be seen in the average hourly rate column. Details of the hourly rates that will be charged for each level of staff working on the case form part of this appendix.

Details of the work that the administrators and their staff propose to undertake	Hours	Time cost £	Average hourly rate £
General case administration and planning	-	-	-
Compliance with the Insolvency Act, Rules and best practice	28.0	8,450.00	301.79
Investigations	-	-	-
Realisation of assets	43.0	16,825.00	391.28
Trading	-	-	-
Dealing with all creditors' claims (including employees), correspondence and distributions	26.0	8,820.00	339.23
Other matters which includes seeking decisions of creditors via deemed consent procedure and/or decisions procedures, meetings, tax, litigation, pensions and travel	13.0	3,830.00	294.62
<b>Total hours</b>	<b>110.0</b>		
<b>Total time costs</b>		<b>37,925.00</b>	
<b>Overall average hourly rate £</b>			<b>344.77</b>

A more detailed explanation of the work that falls into the categories mentioned in the table above can be obtained from our website at <http://www.begbies-traynorgroup.com/work-details>.

Dated. 23 December 2019

# STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities <b>not</b> within the Begbies Traynor Group				
Legal fees	Squire Patton Boggs (UK) LLP	4,374.00	4,282.00	92.00
Legal disbursements	Squire Patton Boggs (UK) LLP	35.60	35.60	0.00
Accountant's fees	Buckle Barton Limited	5,000.00	5,000.00	0.00
Accountant's fees	BHP Corporate Solutions	1,507.50	1,507.50	0.00
Utilities	Various	5,910.40	5,910.40	0.00
Statutory advertising	Courts Advertising Limited	87.48	87.48	0.00
Bond	Marsh Limited	400.00	0.00	400.00
Parking	Q Park Limited	26.67	0.00	26.67
Swear fee		10.00	0.00	10.00
Expenses incurred with entities within the Begbies Traynor Group ( <i>for further details see Begbies Traynor Charging Policy</i> )				
Agent's fees paid to Eddisons	Eddisons Commercial Limited	19,703.20	0.00	19,703.20
Agent's disbursements paid to Eddisons	Eddisons Commercial Limited	2,565.87	0.00	2,565.87
Security costs paid to Eddisons	Eddisons Commercial Limited	3,044.67	2,564.67	480.00
Insurance premium paid to Eddisons	Eddisons Insurance Services Limited	7,151.92	6,200.00	951.92
Mileage	Begbies Traynor (Central) LLP	225.00	0.00	225.00