

AM10

Notice of administrator's progress report



Companies House

WEDNESDAY



A71P91JN

A16

14/03/2018

#99

COMPANIES HOUSE

1 Company details

Company number 03007999

Company name in full Agricultural Contract & Marketing Company Limited

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

2 Administrator's name

Full forename(s) Bob

Surname Maxwell

3 Administrator's address

Building name/number 4th Floor

Street Toronto Square

Post town Toronto Street

County/Region Leeds

Postcode LS1 2HJ

Country

4 Administrator's name ①

Full forename(s) Rob

Surname Sadler

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

5 Administrator's address ②

Building name/number 4th Floor

Street Toronto Square

Post town Toronto Street

County/Region Leeds

Postcode LS1 2HJ

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	^d 2	^d 4	^m 0	^m 8	^y 2	^y 0	^y 1	^y 7
To date	^d 2	^d 3	^m 0	^m 2	^y 2	^y 0	^y 1	^y 8

7 Progress report

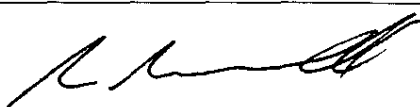
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date	^d 1	^d 2	^m 0	^m 3	^y 2	^y 0	^y 1	^y 8
----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

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	Bob Maxwell
Company name	Begbies Traynor (Central) LLP
Address	4th Floor Toronto Square
Post town	Toronto Street
County/Region	Leeds
Postcode	L S 1 2 H J
Country	
DX	
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 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



Bob Maxwell and Rob Sadler were appointed joint administrators on 27 April 2015

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.

Agricultural Contract & Marketing Company Limited (In Administration)

Progress report of the joint administrators

Period: 24 August 2017 to 23 February 2018

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.

Contents

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

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Agricultural Contract & Marketing Company Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 27 April 2015
"the administrators" "we" "our" and "us"	Bob Maxwell of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ and Rob Sadler 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	Agricultural Contract & Marketing Company Limited
Trading name:	ACMC
Date of Incorporation.	10 January 1995
Company registered number	03007999
Company registered office.	Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators:	Bob Maxwell, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ and Rob Sadler, a Licensed Insolvency Practitioner of Begbies Traynor (Central), Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ
Date of administrators' appointment.	27 April 2015
Court:	Leeds County Court
Court Case Number:	374 of 2015
Person(s) making appointment / application:	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.
EC Regulation on Insolvency Proceedings	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No. 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.
Extensions of the administration period	The administration period was extended with the consent of creditors for a period of 12 months until 26 April 2017 and for a further 24 months by order of the court until 26 April 2019.

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 24 August 2017 to 23 February 2018.

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. There is an analysis for the period of the 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 of the report only Our previous reports contain details of the work undertaken since our appointment.

General case administration and planning

Throughout the Administration we are required to maintain records in order to demonstrate how the case has been administered and to document the reasons for any decisions taken. Costs undertaken during the period in this respect have fallen under the above heading in the time costs analysis.

Significant time has been spent dealing with the dividend to unsecured creditors by virtue of the prescribed part and the work towards the potential claim against The Royal Bank of Scotland plc ("RBS"), further details of which are noted below.

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Act and Rules require that we produce interim progress reports on a 6 monthly basis to provide an update to the creditors of the progression made during the Administration. The previous progress report dated 13 September 2017 was prepared and sent to creditors during the period.

The statutory documentation detailed above has been filed with the Registrar of Companies under the Insolvency Act. 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

Realisation of assets

Land Entitlements

Further land entitlements were notified as being due to the Company following correspondence with the Company's former agents The sum of £4,194 has been received during the period.

Potential Claim against RBS

Time has been spent reviewing a potential claim against RBS as a result of the actions taken by its Global Restructuring Group division in the two years prior to the commencement of the Administration The claim is still

subject to an RBS review so the ultimate quantum and timing of any payment, if any, is currently unknown at this stage.

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

We have reported to the Company's secured creditor in line with its reporting requirements, including paying the floating charge distribution in the sum of £130,751 to RBS.

During the period, the deadline specified on the notice of intended dividend sent to creditors in respect of the prescribed part lapsed, and the final creditor claims were agreed in anticipation of the declaration of the dividend. Claims of 111 creditors totalling £3,585,673 were reviewed as part of the claim agreement process, with £3,549,490 being accepted for dividend purposes and £36,183 being rejected

The prescribed part dividend in the sum of £27,682 was paid to unsecured creditors in the period covered by this report.

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

We have continued to deal with the Company's tax affairs for the period of the Administration.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our statement of proposals

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

Secured creditor

RBS has been paid the sum of £878,012 in accordance with its fixed charge security and £130,751 in accordance with its floating charge security.

RBS will therefore suffer a significant shortfall against its total lending of £1 6m.

Preferential creditors

A dividend of 100 pence in the £1 has been paid to the preferential creditors, totalling £20,959.

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

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

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 £167,189 and the prescribed part of the Company's net property to be £36,438

A dividend by virtue of the prescribed part was paid to unsecured creditors on 8 September 2017.

Unsecured creditors

A dividend to unsecured creditors, either by virtue of the prescribed part or otherwise, is dependent upon the outcome of the potential claim against RBS.

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

Description	Name of recipient	Net amount £	VAT £	Gross amount £
Our fees in relation to the Work	Begbies Traynor	7,327.50	1,465.50	8,793.00
TOTAL PRE-ADMINISTRATION COSTS		7,327.50	1,465.50	8,793.00

These costs have been discharged in full.

7. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by the secured creditor on 9 July 2015, by reference to the time properly given by us (as administrators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the administration. We are also authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9), in accordance with our firm's policy, details of which accompanied the Statement of proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report.

Our time costs for the period from 24 August 2017 to 23 February 2018 amount to £22,398 which represents 85 hours at an average rate of £265 per hour.

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

- ☐ Time Costs Analysis for the period 24 August 2017 to 23 February 2018
- ☐ Begbies Traynor (Central) LLP's charging policy

To 23 February 2018, we have drawn the total sum of £50,000 on account of our remuneration, against total time costs of £321,805 incurred since the date of our appointment

Time Costs Analysis

In addition to the time costs information disclosed at Appendix 2 for the period of this report, a cumulative Time Costs Analysis for the period from 27 April 2015 to 23 February 2018 is also attached at Appendix 2

Please note that each analysis provides details of the work undertaken by us and our staff following our appointment only

Disbursements

To 23 February 2018, we have also drawn disbursements in the sum of £5,444.

Category 2 Disbursements

We have not incurred any Category 2 disbursements or disbursements which should be treated as Category 2 in the period covered by this report.

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2011 which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

8. ADMINISTRATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3. A cumulative statement of expenses also appears at Appendix 3 which details the expenses incurred since the date of our appointment.

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?

General case administration and planning

As detailed above, 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 on an ongoing basis. This also includes compliance reviews and six monthly reviews required to be carried out in accordance with our best practice.

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Act and Rules require that we produce interim progress reports on a 6 monthly basis to provide regular updates to the creditors of the progress made during the Administration. The next report will be for the period 24 February 2018 to 23 August 2018, and issued within 1 month of the end of the reporting period.

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.

As has been done throughout the Administration, progress reports and the other statutory documentation will be filed with the Registrar of Companies under the Insolvency Act and the statutory bond level will be monitored on a receipt by receipt basis.

Realisation of assets

We will continue to deal with RBS in respect of the Company's potential claim against its GRG division for the interest, fees and charges paid by the Company to RBS.

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

We will continue to deal with creditor queries as and when they arise. Depending on the outcome of the claim against RBS, there may be further sums due to the floating charge holder and unsecured creditors by virtue of the prescribed part. We will monitor the position and correspond with creditors regarding further dividend distributions if and when these become possible.

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

Time will be spent dealing with tax matters throughout the Administration and seeking tax closure clearance from HM Revenue & Customs.

How much will this further work cost?

For guidance only, we would estimate further time costs of approximately £10,000 but we will advise in future progress reports of any changes to our estimated fee position.

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 follows:

Storage - £106 plus VAT

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

The administration has been extended for a period of 12 months with the consent of the secured creditor and for an additional period of 24 months by order of the court until 26 April 2019.

Proposed exit route from administration

The proposed exit route from Administration remains in line with that detailed in our statement of proposals

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.



R A H Maxwell
Joint Administrator

Dated: 12 March 2018

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 24 August 2017 to 23 February 2018 and cumulative from 27 April 2015 to 23 February 2018

Trading Account

Statement of Affairs	From 24/08/2017 To 23/02/2018	From 27/04/2015 To 23/02/2018
£	£	£
POST APPOINTMENT SALES		
Sales	NIL	531,800.46
Contribution to Fuel Costs	NIL	95.83
	NIL	531,896.29
PURCHASES		
Fuel	NIL	10,142.39
	NIL	(10,142.39)
OTHER DIRECT COSTS		
IT Support	NIL	750.00
Direct Labour	NIL	NIL
Farm Consumables	NIL	1,936.59
	NIL	(2,686.59)
TRADING EXPENDITURE		
Gow Out Costs	NIL	2,180.20
Rent	NIL	32,418.59
Photocopier lease payment	NIL	191.30
Utilities	NIL	11,846.72
ACMC (UK) Settlement	NIL	12,156.00
Telephone	NIL	895.30
Agents costs	NIL	3,029.20
Skip Hire	NIL	408.00
Transport	NIL	8,162.00
Bank Charges	NIL	300.00
PAYE/NI	NIL	25,931.21
Lease/HP Payments	NIL	3,562.62
Repairs & Maintenance	NIL	3,132.63
Fallen Stock	NIL	2,690.25
Insurance	NIL	8,743.48
Alarm Monitoring	NIL	280.00
Farm Machinery Running Costs	NIL	22.34
Council Tax	NIL	319.99
Duress Creditors	NIL	2,000.00
Feed	NIL	148,057.33
Wages & Salaries	NIL	79,177.00
Petty Cash	NIL	-106.81
Slurry	NIL	5,272.50
Vets	NIL	7,796.95
Cull Costs	NIL	13,775.88
	NIL	(372,242.68)
TRADING SURPLUS/(DEFICIT)	NIL	146,824.63

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 24 August 2017 to 23 February 2018 and cumulatively from 27 April 2015 to 23 February 2018

Receipts and Payments

Statement of Affairs		From 24/08/2017 To 23/02/2018	From 27/04/2015 To 23/02/2018
£		£	£
	SECURED ASSETS		
886,000.00	Freehold Land & Property	NIL	466,642.00
	Property Fixtures	NIL	419,075.00
	Goodwill	NIL	1.00
	Intellectual Property & Contracts	NIL	3.00
	Investments	NIL	46,905.76
		NIL	932,626.76
	COSTS OF REALISATION		
	Finance Settlement	NIL	5,750.00
	Legal Fees	NIL	9,263.99
	Agents/Valuers Fees	NIL	17,720.00
	Costs of Realising Foreign Investment	NIL	10,880.53
	Agents Disbursements	NIL	1,549.00
	Property EPC	NIL	125.00
		NIL	(45,288.52)
	SECURED CREDITORS		
(1,330,444.00)	Chargeholder (1)	NIL	878,011.97
		NIL	(878,011.97)
	HIRE PURCHASE		
67,684.00	HP Asset (1)	NIL	NIL
(79,857.00)	Finance Company(1)	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
	Royalties	NIL	3,879.35
	IT Systems	NIL	13,492.32
45,000.00	Plant & Machinery	NIL	77,948.00
5,000.00	Furniture & Equipment	NIL	NIL
10,000.00	Motor Vehicles	NIL	NIL
100,000.00	Stock	NIL	121,940.00
100,000.00	Book Debts	NIL	99,413.37
	VAT Refund	NIL	6,509.26
	Land Entitlements	4,194.00	8,448.28
	Cash at Bank	NIL	0.59

	Cash in Hand	NIL	24.23
	Bank Interest Gross	NIL	1,035.24
	TRADING SURPLUS/(DEFICIT)	NIL	146,824.63
	Insurance Refund	NIL	3,197.13
	Sundry Income	NIL	4,928.53
	Contribution from buyer	NIL	1.05
	Heat Grant	NIL	15,330.56
		<u>4,194.00</u>	<u>502,972.54</u>
	COST OF REALISATIONS		
	Specific Bond	NIL	NIL
	Office Holders Fees	NIL	50,000.00
	Office Holders Pre-appointment Fees	NIL	7,327.50
	Office Holders Expenses	NIL	5,443.62
	Agents Fees	NIL	24,565.20
	Agents Disbursements	NIL	9,594.46
	Legal Fees (1)	NIL	16,215.55
	Legal Disbursements	NIL	668.98
	Corporation Tax	25.84	140.70
	Travel & Mileage	NIL	NIL
	Stationery & Postage	NIL	NIL
	Legal Fees - Debt Collection	NIL	3,374.73
	IRHP Court Fees	NIL	17,500.00
	Statutory Advertising	NIL	169.20
	Search Fees	NIL	NIL
	Subsistence	NIL	NIL
	Swear Fees	NIL	NIL
	PAYE & NI	NIL	2,233.95
	Bank Charges	NIL	40.00
	Accountants Fee	NIL	3,680.00
		<u>(25.84)</u>	<u>(140,953.89)</u>
	PREFERENTIAL CREDITORS		
	100p in the £ Preferential Dividend	NIL	18,724.61
		NIL	(18,724.61)
	FLOATING CHARGE CREDITORS		
	Distribution to Floating Charge Creditor	130,751.29	130,751.29
		<u>(130,751.29)</u>	<u>(130,751.29)</u>
	UNSECURED CREDITORS		
(4,963,119.00)	Trade Creditors	27,681.91	27,681.91
		<u>(27,681.91)</u>	<u>(27,681.91)</u>
	DISTRIBUTIONS		
(6,846,020.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(12,005,756.00)</u>		<u>(154,265.04)</u>	<u>194,187.11</u>

TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 24 August 2017 to 23 February 2018, and
- c. Cumulative Time Costs Analysis for the period from 27 April 2015 to 23 February 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.

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

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting;
- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes 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;

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

² 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 plant and machinery and to provide assistance in the disposal of part of the Company's business. Their charges 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

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 set out above:

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 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.

(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 May 2011 – until further notice
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

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

Time is recorded in 6 minute units

SIP9 Agricultural Contract & Market - Administration - 80AG034.ADM : Time Costs Analysis From 24/08/2017 To 23/02/2018

Start Date	Consultant/Partner	Director	Sub Mgr	Mgr	Asst Mgr	Sub Admin	Admin	Sub Admin	Support	Total Hours	Time Cost (£)	Average hourly rate (£)
General Case Administration and Planning		65				21				8.8	2,610.00	303.48
	Case planning											
	Administration					0.9			0.4	4.1	509.50	124.27
	Total for General Case Administration and Planning	65				3.0			0.4	12.7	3,119.50	248.63
Compliance with the Insolvency Act, Rules and best practice												
	Appointment											0.00
	Banking and Bonding					0.2			2.7	2.9	332.00	114.46
	Case Closure									0.4	44.00	110.00
	Statutory reporting and statement of affairs	30				8.0				13.5	2,995.00	221.85
	Total for Compliance with the Insolvency Act, Rules and best practice	30				8.2			2.7	16.8	3,371.00	200.65
Investigations	COOA and investigations											0.00
	Total for Investigations											0.00
Realisation of assets												
	Debt collection											0.00
	Property, business and asset sales	68				1.8				8.4	2,626.00	312.62
	Retention of Title/Third party assets											0.00
	Total for Realisation of assets	68				1.8				8.4	2,626.00	312.62
Trading	Trading											0.00
	Total for Trading											0.00
Dealing with all creditors claims (including employees), correspondence and distributions												
	Secured	49				2.5				9.2	2,839.00	308.59
	Others	115				12.0				37.0	10,387.50	280.74
	Creditors committee											0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions	167				14.5				46.2	13,226.50	286.29
Other matters which includes meetings, tax, litigation, pensions and travel												
	Seeking decisions of creditors including meetings											0.00
	Other											0.00
	Tax								0.2	0.5	55.00	110.00
	Litigation											0.00
	Total for Other matters								0.2	0.5	55.00	110.00
	Total hours by staff grade	330				27.3			3.3	84.6		
	Total time cost by staff grade	11,385.00				4,777.50			343.00		22,308.00	
	Average hourly rate £	345.00				175.00	0.00		110.00		264.75	
	Total fees drawn to date £										50,000.00	

SIP9 Agricultural Contract & Market - Administration - 80AG034 ADM : Time Costs Analysis From 27/04/2015 To 23/02/2018

Staff role	Consultant/Partner	Director	Team Mgr	Mgr	Asst Mgr	Sr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	26.1	40.0			5.4	1.0			74.5	25,979.50	348.72
	Administration					5.5	78.0	21.0	31.2	135.7	17,234.50	127.00
	Total for General Case Administration and Planning	26.1	40.0			10.9	79.0	21.0	31.2	210.2	43,214.00	205.99
Compliance with the Insolvency Act, Rules and best practice	Appointment		7.3	2.3			5.8	1.3		16.7	4,054.00	242.75
	Banking and Bonding	0.2				0.5	4.5	0.6	8.9	14.7	1,819.00	123.74
	Case Closure							14.8		14.8	1,028.00	110.00
Investigations	Statutory reporting and statement of affairs	12.7	53.8	0.8		30.3	10.5	17.1		125.3	32,425.00	258.78
	Total for Compliance with the Insolvency Act, Rules and best practice	12.9	61.2	3.1		30.8	20.8	33.6	8.9	171.5	39,926.00	232.80
	CDDA and investigations		9.0				3.5	2.1		14.6	3,803.50	260.85
Realisation of assets	Total for Investigations		9.0				3.5	2.1		14.6	3,808.50	260.86
	Debt collection							6.0		6.0	81,603.00	330.34
	Property, business and asset sales	36.4	129.1	0.9		1.6	7.7	6.0		137.7	1,699.50	124.05
Trading	Retention of third/third-party assets									173.7	60,205.50	346.61
	Total for Realisation of assets	36.4	129.1	0.9		1.6	7.7	6.0		187.4	61,603.00	330.34
	Trading	8.4	121.4	1.5			11.2	277.2		419.7	77,602.50	184.90
Dealing with all creditors claims (including employees), correspondence and distributions	Total for Trading	8.4	121.4	1.5			11.2	277.2		419.7	77,602.50	184.90
	Secured	12.8	33.8			3.2				49.8	17,277.00	346.93
	Others	16.9	42.9	3.7		55.2	5.6	45.5		169.8	37,877.50	223.07
Other matters which includes meetings, tax, litigation, pensions and travel	Creditors committee											0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions	29.7	76.7	3.7		58.4	5.8	45.5		219.8	95,164.50	251.16
	Seeking decisions of creditors including meetings	40.6								40.6	16,037.00	395.00
Total for Other matters:	Other	2.0	5.0					1.8		8.8	2,713.00	308.30
	Tax		51.9			6.5	4.0	0.3	1.9	64.6	10,825.00	306.89
	Litigation	4.1								4.1	1,619.50	365.00
Total hours by staff grade	Total for Other matters:	46.7	56.9			6.5	4.0	2.1	1.9	119.1	40,194.00	340.34
	Total time cost by staff grade	162.2	484.3	9.2		108.2	137.5	387.7	42.0	1,341.1		
	Total time cost by staff grade	64,069.00	170,533.50	2,435.00		16,935.00	18,482.50	42,847.00	4,920.00		321,805.00	
Average hourly rate £	Average hourly rate £	395.00	345.00	285.00	0.00	175.00	135.00	110.00	110.00		50,000.00	239.06
	Total fees drawn to date £											

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 not within the Begbies Traynor Group				
Legal fees	Schofield Sweeney	1,272	0	1,272
Legal disbursements	Schofield Sweeney	505	0	505
Corporation tax	HM Revenue & Customs	26	26	0

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Agent's fees - property	Leonards	8,860
Agent's fees – property	Savills plc	8,860
Agent's disbursements – property	Leonards	1,549
Legal fees – conveyancing	Gosschalks Solicitors	8,583
Legal fees – general	DLA Piper UK LLP	5,077
Legal fees – general	Gosschalks Solicitors	9,188
Legal fees – general	Schofield Sweeney	3,727
Agent's fees - assets	Eddisons Commercial Limited	23,655
Agent's disbursements - assets	Eddisons Commercial Limited	9,594
Agent's fees – land entitlements	Leonards	900
Property EPC	Leonards	125

Cost of realising foreign investments	Stephen Curtis	7,637
Cost of realising foreign investments	Hong Kong International Arbitration Centre	3,244
Court fee	Leeds High Court	10,000
Accountant's fee	Sagars LLP	3,680
IRHP Advice	AHV Associates LLP	7,500
Statutory Advertising	Courts Advertising Limited	169
Corporation Tax	HM Revenue & Customs	141
Subsistence	Costcutter	6
Postage	Mail Box Express	161
Bond	Marsh Limited	140
Search fees	Land Registry	3
Travel	Various	310
Mileage	Begbies Traynor (Central) LLP	4,783
Swear fees		40