



For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

<b>1</b>	<b>Company details</b>
Company number	0 3 1 3 7 7 2 8
Company name in full	Hallam Estates Limited

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

<b>2</b>	<b>Administrator's name</b>
Full forename(s)	Bob
Surname	Maxwell

<b>3</b>	<b>Administrator's address</b>
Building name/number	Fourth Floor
Street	Toronto Square
Post town	Toronto Street
County/Region	Leeds
Postcode	L S 1 2 H J
Country	

<b>4</b>	<b>Administrator's name ①</b>
Full forename(s)	Jonathan James
Surname	Beard

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

<b>5</b>	<b>Administrator's address ②</b>
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	<table><tr><td>d</td><td>1</td><td>d</td><td>7</td></tr></table>	d	1	d	7	<table><tr><td>m</td><td>0</td><td>m</td><td>6</td></tr></table>	m	0	m	6	<table><tr><td>y</td><td>2</td><td>y</td><td>0</td><td>y</td><td>2</td><td>y</td><td>1</td></tr></table>	y	2	y	0	y	2	y	1	
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m	1	m	2																	
y	2	y	0	y	2	y	1													

**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	4	m	0	m	1	y	2	y	0	y	2	y	2
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**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	Laura Amann
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	
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**

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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)

Bob Maxwell and Jonathan James Beard were appointed joint administrators on 17 December 2020

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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## **Hallam Estates Limited (In Administration)**

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Progress report of the joint administrators

Period: 17 June 2021 to 16 December 2021

## **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"	Hallam Estates Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 17 December 2020
"the administrators" "we" "our" and "us"	Bob Maxwell of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ and Jonathan Beard of Begbies Traynor (Central) LLP, 2-3, Pavilion Buildings, Brighton, BN1 1EE
"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:	Hallam Estates Limited
Trading name:	N/A
Date of Incorporation:	14 December 1995
Company registered number:	03137728
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 Jonathan Beard, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 2-3, Pavilion Buildings, Brighton, BN1 1EE
Date of administrators' appointment:	17 December 2020
Date of administrators' resignation:	N/A
Court:	The Business & Property Courts of England & Wales
Court Case Number:	CR-2020-004300
Person making appointment:	The Court upon the application of Ms A Mooney
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) No 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	The administration period was extended with the consent of creditors for a period of 12 months until 16 December 2022.

## 4. PROGRESS DURING THE PERIOD

### Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 17 June 2021 to 16 December 2021.

### **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 report contains details of the work undertaken since our appointment.

#### General case administration and planning

We are required to maintain records to demonstrate how the case is administered and to document the reasons for any decisions that materially affect the case. This includes regular updates with staff and regular case management and reviewing of progress. Time spent also includes complying with internal filing and information recording practices, including documenting strategy decisions.

Whilst not all of this work benefits creditors financially, it is necessary to ensure the efficient and compliant progressing of the administration and ensures that the joint administrators and their staff carry out their work to high professional standards. Such strategy has enabled us to ensure all matters continue to be progressed in an effective and timely manner.

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

During the period of this report, we have prepared and issued to all relevant parties our six-monthly progress report dated 5 July 2021 to provide an update to the creditors of the progress made during the administration. This report was filed at Companies House in order to meet statutory requirements.

Significant time has been spent preparing for the closure of the case as it was our intention to close the Administration prior to its first anniversary. Time has therefore been spent drafting our final progress report to provide creditors with an overview and details of the outcome of the Administration. As our final report has already been drafted and much of the work involved in closing the case has already been carried out, we anticipate the future time to be incurred in relation to closure proceedings will be less as a result.

As we were appointed by the Court it will be necessary to apply to Court for our discharge from liability as administrators. Time has been spent during the period by us and our solicitors, Addleshaw Goddard, in preparing for this Court application.

We have obtained a statutory bond that is sufficient to cover the value of total realisations during the Administration in order to protect the interests of the Company's creditors. The sum of £117 has been incurred with Marsh Limited and £146 with Insolvency Risk Services in this regard.



Our cashiers have also spent time in reconciling the bank account.

This work is not of direct financial benefit to creditors however is required in order to ensure that the case remains compliant with the Act, Rules and best practice.

### Investigations

As detailed in our previous report, our investigations brought to light that prior to our appointment £95,000 of Covid-19 grant monies due to the Company had been redirected to a connected company.

We understand the local authority is now taking its own action in relation to these monies and therefore no further work will be undertaken by the administrators.

We have undertaken follow up work following the submission of our report to the Secretary of State on the conduct of each director of the Company.

### Realisation of assets

As you will be aware from our previous report, the freehold of The Grand, The Leas, Folkestone, Kent, CT20 2XL ("the Property") was entered into auction with Bernard Marcus on 22 June 2021 and sold for £448,000.

The qualifying tenants at the Property had a right of first refusal to purchase the freehold of the Property pursuant to the provisions of the Landlord and Tenant Act 1987 (LTA). The administrators complied with the provisions of the LTA by serving notice on each qualifying tenant. The requisite number of qualifying tenants exercised their right of first refusal pursuant to the LTA. The Property was ultimately purchased by Grand (Folkestone) Residents Limited, which is a company established by the residents' association at the Grand. The sale completed on 12 August 2021.

The sum of £395 has been paid to Barnard Marcus in respect of an auction entry fee. The auctioneers received commission of £8,960, which was split equally between Barnard Marcus and Eddisons.

Land registry searches were undertaken on the Property for the purpose of the sale. The search fees of £661 were settled by the purchaser.

The Property consists of three separate titles. Doris Stainer holds a legal charge over the main title of the Property. In order to dispose of the Property, we were required to obtain her consent to the sale. As Mrs Stainer is bankrupt, prior to and in the run up to the auction sale, time was spent liaising with her Trustee in bankruptcy, Georgina Eason of MHA MacIntyre Hudson, to agree the release of the charge to allow the sale to complete. Agreement was reached based on the sale price achieved and the sum of £50,000 was paid to the Trustee in Bankruptcy. The Trustee in Bankruptcy subsequently provided a DS1 allowing the sale of the Property to be completed on 12 August 2021.

Addleshaw Goddard have continued to advise the administrators on all matters relating to the administration. Their time costs during the period amount to £35,122 plus disbursements of £2,182. They were paid £91,000 during the period which included all their time accrued from the date of our appointment.

In June 2021, Michael Stainer, Doris Stainer and Folkestone Collections Trust brought two injunction applications against the administrators seeking to prevent the sale of the contents of the commercial parts of the Property and to prevent the sale of the freehold Property. The first hearing was heard on 17 June 2021 before District Judge Luthfur Rahman in the County Court at Canterbury. The application was dismissed. The second hearing was heard on 22 June 2021 before Mr Justice Michael Green in the High Court of Justice, Business and Property Courts of England and Wales. Mr Justice Green dismissed the application. Counsel fees of £2,100 were paid in respect of these hearings.

As advised in our previous report, we instructed Eddisons to dispose of the fixtures and fittings ("F&F") in the Property. This took place by online auction on 9 June 2021 and realised £24,645. A further online auction was held on 21 June 2021 to realise residual F&F. £788 was realised at this auction and a further cash sale was made which realised £109. Both us and Eddisons have continued to deal with retention of title claims during the period. Eddisons fees and commission earned on their work relating to the online auctions of the F&F amounted to £6,664, plus disbursements of £1,129. Eddisons costs were discharged during the period.

Following the sale of the Property and the F&F, we arranged for our insurers, Eddisons Insurance Services Limited ("EIS"), to cancel the insurance cover. EIS accrued costs of £14,141 during the period, bringing their total costs to date to £60,641. Their costs have been discharged during the period together with property security costs of £5,863.

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

We have continued to liaise with the Trustee in bankruptcy for Mrs Doris Stainer in relation to her charge over the Company and the main property title.

We have continued to receive queries from various parties in relation to items of theirs that were held in the premises, and fielded enquiries from parties scheduled to hold events in the commercial parts.

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

The administrators are required to submit Corporation Tax ("CT") returns to HMRC for the administration period. We have instructed Garbutt & Elliott ("G&E") to prepare the CT returns on behalf of the administrators and this work remains ongoing.

We have corresponded with HM Revenue & Customs for confirmation as to whether the Company had any option to tax over the Property. HMRC confirmed that, based on the information provided, they do not appear to have been notified of any option to tax in respect of the Property.

Work under this heading also includes the litigation action relating to the injunction applications brought against the Company by Michael Stainer, Doris Stainer and Folkestone Collections Trust, as detailed above.

We sought an extension of the administration period for 12 months from the secured creditor at the time of issuing our previous report. This was approved by the Trustee in Bankruptcy for Mrs Stainer. Notice of the extension of the administration period was issued to the creditors and the Registrar of Companies, as well as being filed at Court, in accordance with the Act.

At the same time as the above, we also sought approval of our further fee estimate from the secured creditor. This was duly approved by the Trustee in Bankruptcy for Mrs Stainer

The Company is not registered for VAT and therefore irrecoverable VAT of £44,110 has been incurred to date.

## 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 we estimate an outcome for each class of the Company's creditors as follows:

### **Secured creditor**

Doris Stainer holds a legal charge over the freehold title number K394241. The charge was created on 24 April 2018 and was delivered at Companies House on 3 May 2018.

The above forms part of the assets in the bankruptcy of Mrs Stainer and we have therefore corresponded with Mrs Stainer's trustee in bankruptcy, Georgina Eason of MHA MacIntyre Hudson, who replaced Adrian Dante of the same firm.

As detailed in Section 4 of this report, an agreement was reached with the Trustee in Bankruptcy to release the charge to enable to sale of the Property to complete. Pursuant to this agreement the sum of £50,000 was paid to the Trustee in Bankruptcy.

### **Preferential creditors**

There are no known preferential claims.

### **Secondary preferential creditors**

Based upon realisations to date and estimated future realisations, there will be insufficient funds available to enable a dividend to be paid to HM Revenue & Customs as secondary preferential creditor.

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

Details of how the prescribed part is calculated have previously been provided in our statement of proposals.

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

### **Unsecured creditors**

Based upon realisations to date and estimated future realisations there will be insufficient 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. REMUNERATION & EXPENSES

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.

We are also authorised to draw expenses 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 original fees estimate in the sum of £120,608 was increased by £79,420 on 12 July 2021. This makes the total amount of our approved estimate £200,028.

Our time costs for the period from 17 June 2021 to 16 December 2021 amount to £52,987 which represents 159 hours at an average rate of £336 per hour.

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

- ☐ Time Costs Analysis for the period 17 June 2021 to 16 December 2021
- ☐ Begbies Traynor (Central) LLP's charging policy

To 16 December 2021, we have drawn the total sum of £92,000 on account of our remuneration, against total time costs of £190,132 incurred since the date of our appointment.

### **Time Costs Analysis**

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case, and gives the total costs and average hourly rate charged for each work type. An additional analysis is also attached which details the time costs for the entire period for which we have administered the administration.

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

As can be seen from the information above, the increased level of our approved remuneration has so far been sufficient to cover the costs of the administration and we are pleased to report that we do not anticipate seeking any further increase or amendment to our approved remuneration basis.

### **Category 1 Expenses**

To 16 December 2021, we have also drawn expenses in the sum of £526.

## Category 2 Expenses

Details of the Category 2 expenses that have been drawn during the period of this report in accordance with the approval obtained are as follows:

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount
Eddisons commission on the sale of the freehold title of The Grand.	£4,480
Eddisons also arranged for the fixtures and fittings situated in The Grand to be sold via online auction.	£6,664, plus disbursements of £1,129
Remotzone is part of Eddisons and they have provided property security services.	£5,863
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.	£60,641
<b>TOTAL</b>	<b>£78,777</b>

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2021' 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.

## 7. 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.

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

Creditors will recall that we estimated that the expenses of the administration would total £161,812. As advised in our previous report, that estimate has been exceeded, mainly due to the legal fees and disbursements incurred.

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

The assets of the Company consisted of the freehold titles of The Grand and outstanding ground rents. Both assets have now been realised. There are no further assets left to realise.

**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 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 progression of the administration, which ensures that the joint administrators and their staff carry out their 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.

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.

We will continue to liaise with our solicitors, Addleshaw Goddard, in relation to the application to Court for the discharge of the administration order and for our release as Administrators.

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

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

We will continue to deal with creditors involved in the administration as and when any queries arise.

### 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 continue to deal with the Company's tax matters with the assistance of Garbutt & Elliot.

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?**

The 'further work' detailed above has always been anticipated, but at this point in the proceedings, it has not yet been completed. As you know, this work is necessary in order that I may complete the administration as envisaged. The cost of completing this work will not exceed any amounts approved by creditors previously.

#### **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 revised estimate of anticipated expenses attached at Appendix 3.

#### **What is the anticipated payment for administering the case in full?**

We estimated that the cost of administering the case would be in the region of £200,028, and subsequently you have provided approval for us to draw our remuneration up to that level. However, as you are aware, the remuneration that we can draw is limited to the amount that is realised for the assets, (less any costs incurred in realising those assets). At this stage in the administration, I can estimate that total remuneration drawn will be in the region of £160,000. Costs incurred over and above our approval will be written off.

However, please note that should there be additional or unexpected asset realisations, we will look to draw our remuneration from those too, capped at the level that the creditors approve.

## **9. OTHER RELEVANT INFORMATION**

#### **Connected party transactions**

We have not been made aware of any sales of the Company's assets to connected parties.

#### **Extension of administration**

The administration has been extended for a period of 12 months with the consent of the secured creditor via their Trustee in Bankruptcy.

#### **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.

## 10. 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.

## 11. 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: 14 January 2022



# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 17 June 2021 to 16 December 2021

Statement of Affairs		From 17/06/2021 To 16/12/2021	From 17/12/2020 To 16/12/2021
£		£	£
	SECURED ASSETS		
	Freehold Land & Property	448,000.00	448,000.00
	Land Registry Search Fees Paid by Bu	661.22	661.22
		<u>448,661.22</u>	<u>448,661.22</u>
	COSTS OF REALISATION		
	Auctioneer Commission	8,960.00	8,960.00
	Auction Entry Fee	395.00	395.00
	Energy Performance Certificate	NIL	2,250.00
		<u>(9,355.00)</u>	<u>(11,605.00)</u>
	SECURED CREDITORS		
	Trustee in Bankruptcy of Doris Stainer	50,000.00	50,000.00
		<u>(50,000.00)</u>	<u>(50,000.00)</u>
	ASSET REALISATIONS		
Uncertain	Freehold Land & Property	NIL	NIL
	Bank Interest Gross	0.36	0.62
	Fixtures and Fittings	25,541.70	25,541.70
	Funds In Solicitor Client Account	NIL	4,395.20
	Ground Rents	NIL	10,761.51
		<u>25,542.06</u>	<u>40,699.03</u>
	COST OF REALISATIONS		
	Administrators' Expenses	263.39	263.39
	Administrators' Fees	92,000.00	92,000.00
	Agents Disbursements	1,128.52	1,128.52
	Agents Fees	6,664.17	6,664.17
	Counsel Fees	2,100.00	2,100.00
	Insurance of Assets	60,641.10	60,641.10
	Irrecoverable VAT	44,110.97	44,579.87
	Legal Disbursements	3,887.98	3,887.98
	Legal Fees	91,000.00	91,000.00
	Pre-Appointment Administrators' Fees	8,316.00	8,316.00
	Security Costs	5,862.81	5,862.81
	Statutory Advertising	NIL	94.50
		<u>(315,974.94)</u>	<u>(316,538.34)</u>
	DISTRIBUTIONS		
(1.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(1.00)</u>		<u><u>98,873.34</u></u>	<u><u>111,216.91</u></u>
	REPRESENTED BY		
	Bank 1 Current		111,216.91
			<u><u>111,216.91</u></u>

## COSTS AND EXPENSES

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 17 June 2021 to 16 December 2021; and
- c. Cumulative Time Costs Analysis for the period from 17 December 2020 to 16 December 2021

## **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 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

*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

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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

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 BTG Advisory to provide debt collection services. Their charges will be equivalent to 10% of book debt realisations

Instruction of Eddisons Commercial Ltd to provide Valuation and asset disposal services . 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:

<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 may also charge as a percentage of realisations achieved from the sale of assets. Their charges will be equivalent to 10% of sale proceeds.

Eddisons Commercial Limited are also instructed to provide risk management services, in particular: the management of insurance compliance works for vacant properties including the installation of a temporary monitored alarm . Their charges for providing these services will be calculated

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 cost of insurance for the 3 month period immediately following appointment is £23,250 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. Where relevant, administration fees may be charged, These costs are taken into consideration and included within the forecasted cost of insurance, above.

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.

Where EIS have initially been consulted on a policy, but the policy has not been taken out, EIS will charge an administration fee of £150.

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

<b>Grade of staff</b>	<b>Charge-out rate (£ per hour) 1 January 2022 until further notice</b>
Partner	545
Director	490
Senior Manager	435
Manager	380
Assistant Manager	275
Senior Administrator	240
Administrator	195
Junior Administrator	155
Cashier	155
Support	155

Prior to 31 December 2021, the following rates applied:

<b>Grade of staff</b>	<b>Charge-out rate (£ per hour)</b>
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Cashier	140
Secretarial	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.







# 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				
Accountants Fees	Garbutt & Elliott	3,500.00	0.00	3,500.00
Auctioneer Commission	Barnard Marcus	4,480.00	4,480.00	Nil
Auction Entry Fee	Barnard Marcus	395.00	395.00	Nil
Bond Fee	Marsh Limited & Insolvency Risk Services	254.00	Nil	254.00
Counsel Fees	Addleshaw Goddard LLP	2,100.00	2,100.00	Nil
Legal Fees	Addleshaw Goddard LLP	36,281.32	91,000.00	Nil
Legal Disbursements		2,182.11	3,869.96	Nil
Expenses incurred with entities within the Begbies Traynor Group ( <i>for further details see Begbies Traynor Charging Policy</i> )				
Agents Fees	Eddisons Commercial Limited	6,664.17	6,664.17	Nil
Agents Disbursements		1,128.52	1,128.52	Nil
Auctioneer Commission	Eddisons Commercial Limited	4,480.00	4,480.00	Nil
Insurance Costs	Eddisons Insurance Services Limited	14,141.10	60,641.10	Nil
Security Costs	Remotezone	2,924.81	5,862.81	Nil

# CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Accountants Fees	Garbutt & Elliot	3,500.00
Agents Fees	Eddisons Commercial Limited	6,664.17
Agents Disbursements		1,128.52
Auctioneer Commission	Barnard Marcus	4,480.00
	Eddisons Commercial Limited	4,480.00
Auction Entry Fee	Barnard Marcus	395.00
Bond Fee	Marsh Limited & Insolvency Risk Services	282.00
Energy Performance Certificate	Luis & Bell Surveyors	2,250.00
Land Registry Search Fees	Land Registry	3.00
Legal fees	Addleshaw Goddard LLP	92,160.00
Legal Disbursements		5,987.98
Insurance Costs	Eddisons Commercial Limited	60,641.10
Postage Costs	Begbies Traynor (Central) LLP	25.75
Security Costs	Remotzone	5,862.81
Statutory Advertising Costs	Courts Advertising Limited	94.50
Sustenance	Begbies Traynor (Central) LLP	22.50
Travel Costs	Begbies Traynor (Central) LLP	193.14

The above are all exclusive of VAT where applicable. VAT is irrecoverable in the administration.

## Revised estimate of expenses

No.	Type of expense	Description	Estimate £
1.	Accountancy Fees	It may become necessary to instruct an accountant to prepare CT returns or to make a claim for terminal tax loss relief.	3,500 plus VAT
2.	Advertisements	Of appointment, dividends etc.	194 plus VAT
3.	Agents' fees and disbursements	Costs of Eddisons Commercial Limited for disposing of the fixtures and fittings situated in the property via online auction.	8,000 plus VAT
4.	Auction entry fee	Fee paid to Barnard Marcus to enter the freehold title of The Grand into auction.	395 plus VAT
5.	Auctioneer Commission	Commissioned earned by the auctioneers following the sale of the freehold title of The Grand.	8,960 plus VAT
6.	Bond	An Insolvency Practitioner is required to have a bond in place to protect the estate from misappropriation of funds	282 plus VAT
7.	Energy performance certificate	It was necessary to obtain an energy performance certificate in order to sell the freehold title of The Grand.	2,250 plus VAT
8.	Insurance	An Insolvency Practitioner is required to ensure that there is sufficient insurance cover over the assets of the insolvent entity.  Administration fees may also be charged on the policy	60,641
9.	Storage costs	An Insolvency Practitioner is required to retain relevant books and records of the insolvent entity in order to carry out his/her duties as office holder. In addition, following case closure the Insolvency Practitioner will retain his/her working papers to allow any queries or issues raised to be dealt with	50 plus VAT
10.	Legal fees and disbursements	The fees of any solicitors and/or barristers instructed to assist the Insolvency Practitioner and their anticipated disbursements	110,000 plus VAT
11.	Travel	It may be necessary for the Joint Administrators or their staff to travel to the Company's trading premises	500 plus VAT
12.	Land Registry Search Fees	The cost of obtaining a copy of the title reports for land or property from the Land Registry.	10 plus VAT

13.	Postage	Costs of circulating notice of our appointment to relevant parties.	30 plus VAT
14.	Sustenance		23 plus VAT
15.	Security costs	Costs of Remotezone for providing security services to the property.	6,000 plus VAT