

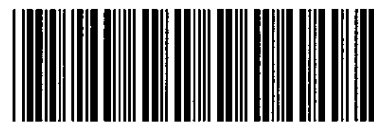
# AM10

## Notice of administrator's progress report



Companies House

FRIDAY



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29/09/2017

#272

COMPANIES HOUSE

### 1 Company details

Company number 0 3 5 8 0 0 4 1

Company name in full B.C.D.L. Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) David

Surname Hill

### 3 Administrator's address

Building name/number 1st Floor North, Anchor Court

Street Keen Road

Post town Cardiff

County/Region

Postcode C F 2 4 5 J W

Country

### 4 Administrator's name ①

Full forename(s) Peter Richard

Surname Dewey

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 1st Floor North, Anchor Court

Street Keen Road

Post town Cardiff

County/Region

Postcode C F 2 4 5 J W

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> 1	<sup>d</sup> 7	<sup>m</sup> 0	<sup>m</sup> 3	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 7
To date	<sup>d</sup> 1	<sup>d</sup> 6	<sup>m</sup> 0	<sup>m</sup> 9	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 7

**7** Progress report

☒ I attach a copy of the progress report

**8** Sign and date

Administrator's  
signature

Signature

X



X

Signature date	<sup>d</sup> 2	<sup>d</sup> 8	<sup>m</sup> 0	<sup>m</sup> 9	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 7
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## 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	Katrina Orum
Company name	Begbies Traynor (Central) LLP
Address	1st Floor North, Anchor Court Keen Road
Post town	Cardiff
County/Region	
Postcode	C F 2 4 5 J W
Country	
DX	
Telephone	029 2089 4270

**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)

David Hill and Peter Richard Dewey were appointed joint administrators on 26 October 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.

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## **B.C.D.L. Limited (In Administration)**

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Progress report of the joint administrators

Period: 17 March 2017 to 16 September 2017

### **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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## **Contents**

- ☐ Interpretation
- ☐ Statutory information
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- ☐ Administrators' Expenses
- ☐ Assets that remain to be realised and work that remains to be done
- ☐ Other relevant information
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- ☐ 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"	B.C.D.L. Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 26 October 2015
"the administrators" "we" "our" and "us"	David Hill and Peter Richard Dewey of Begbies Traynor (Central) LLP, 1st Floor North, Anchor Court, Keen Road, Cardiff, CF24 5JW
"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	B.C.D.L. Limited
Trading name(s):	B.C.D.L. Limited
Date of Incorporation:	12 June 1998
Company registered number:	03580041
Company registered office:	1st Floor North, Anchor Court, Keen Road, Cardiff, CF24 5JW

## 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators:	David Hill and Peter Richard Dewey, Licensed Insolvency Practitioners of Begbies Traynor (Central) LLP, 1st Floor North, Anchor Court, Keen Road, Cardiff, CF24 5JW
Date of administrators' appointment:	26 October 2015

B.C.D.L. LIMITED – IN ADMINISTRATION

Date of administrators' resignation:	N/A
Court:	High Court of Justice, Cardiff District Registry
Court Case Number:	210 of 2015
Person(s) making appointment / application:	Application for an Order of the Court made by the Director, Gordon James Bolton
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 by order of the court until 26 October 2018

## 4. PROGRESS DURING THE PERIOD

### Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 17 March 2017 to 16 September 2017.

Our comments on items appearing in the account are below.

**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

Although there is no direct financial benefit to creditors, we are required to maintain records to demonstrate how the case has been administered and to document the reasons for any decisions that materially affect the case. Such records were set up following our appointment and regular case reviews have been performed during the period to ensure that specific matters are progressed.

## B.C.D.L. LIMITED – IN ADMINISTRATION

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

We are required to comply with statutory reporting requirements. This has included the preparation of the joint administrators' last progress report.

We also have a duty to ascertain the anticipated level of realisations to ensure that the case is adequately bonded to cover any funds received into the administration. The bond level has been regularly reviewed.

Whilst there is no direct financial benefit to creditors, all of the above will allow us to effectively manage the administration and creditors benefit from the information they receive.

### Investigations

We have a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, an administrator is also required to consider the conduct of the Company's director and to make an appropriate submission to the Department for Business Innovation and Skills.

We have also 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. These duties have continued to be complied with during the period covered by this report.

### Realisation of assets

#### *Contract Debts & Retentions*

The director's estimated statement of affairs includes contract debts and retentions with an estimated to realise value of £300,000. Prior to our appointment independent agents, Craigdam Services Limited ("Craigdam"), were instructed to review the contract debts and secure any imminent payments due to the Company. Following our appointment Craigdam were instructed to liaise with customers and collect the outstanding balances on our behalf. Recoveries to date total £57,866.45. Although there have been no recoveries during the period, Craigdam have continued to liaise with customers, agreed final accounts and have been advised that further payments will be made imminently.

The majority of contracts were subject to a 24 month defects period and therefore final collections are not anticipated before early 2018.

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

As is expected with such an assignment, creditor claims and general enquiries have continued to be received from creditors. We have endeavoured to respond to all queries in an efficient and timely manner.

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

The joint administrators are required to deal with post-appointment taxation matters, and this includes the submission of corporation tax and VAT returns to HM Revenue & Customs. The timely submission of such returns prevents incurring penalties and allows the administrators to reclaim any funds due. As the Company is not yet deregistered for VAT, quarterly VAT returns have been submitted since the joint administrators' appointment.



## 5. ESTIMATED OUTCOME FOR CREDITORS

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**

There are no secured creditors in this matter.

### **Preferential creditors**

Preferential creditors have been paid in full.

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

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

To the best of the 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, we consider there may 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. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by a resolution of creditors passed by correspondence 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 disbursements, including 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 17 March 2017 to 16 September 2017 amount to £5,993.50, which represents 19.4 hours at an average rate of £308.94 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 17 March 2017 to 16 September 2017
- ☐ Begbies Traynor (Central) LLP's charging policy

## B.C.D.L. LIMITED – IN ADMINISTRATION

To 16 September 2017, we have drawn the total sum of £25,000 on account of our remuneration, against total time costs of £44,663.50 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 26 October 2015 to 16 March 2017 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.

### Category 2 Disbursements

In accordance with the resolution obtained in relation to disbursements, the following Category 2 disbursements and disbursements which should be treated as Category 2 disbursements have been charged to the case since the date of our appointment:

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Mileage – 23 miles @ 45p per mile	10.35

### Disbursements treated as Category 2 disbursements

Other amounts paid or payable to any party in which the office holder or his firm or any associate has an interest	
Type and purpose	Amount £
Eddisons Insurance Services Limited, 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.	371.00

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](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 £2,962.44 plus debt collection fees of 20% of post-appointment debtor realisations exclusive of VAT and 20% of bank interest

received gross of tax. Unfortunately, we consider that, in addition to those already incurred, the expenses that we have incurred so far have exceeded that estimate and there will be further expenses to pay before the case concludes. The reason why the estimate has been exceeded are as follows:

- Legal fees of £3,155 have been incurred in respect of the application to court for the extension of the administration period, seeking discharge of the administrators' liability following closure of the administration and ability to make a distribution to the unsecured creditors of the Company;
- £2,975 plus VAT has been paid to the Company's former accountants, HSJ Accountants Limited, for their assistance with the preparation of the director's estimated statement of affairs, finalising the pre administration CIS and PAYE returns and provision of information to assist with the employees' claims for wages and redundancy; and
- Bank charges of £12 have been incurred for the cancellation of a dividend cheque that was not received and needed to be cancelled before a replacement cheque could be issued.

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

### **Assets that remain to be realised**

Contract debts and retentions remain to be realised.

**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

We will continue to maintain sufficient records to demonstrate how the case is being administered. Periodic case reviews will continue to be carried out.

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

Insolvency legislation and best practice requires the joint administrators to carry out the following:

1. Produce six monthly progress reports – further progress reports may be necessary depending upon the timescale within which the administration is concluded.
2. Produce a final progress report – once we have fully discharged our duties as administrators and the purpose of administration has been achieved.
3. Take the necessary statutory steps to conclude the administration.
4. File information with the Registrar of Companies – progress reports and the final report will be filed at the appropriate times.
5. Ensure that the case remains adequately bonded – regular bond reviews will be carried out.

Whilst there is no direct financial benefit to creditors, all of the above is required to ensure we comply with our statutory reporting requirements.

### Investigations

As stated above, 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.

HM Revenue & Customs have recently made enquiries into the manner in which the Company's tax affairs were managed and our investigations remain ongoing in this regard.

Realisation of assets

Collection of the Company's contract debts and retentions remains ongoing and CIS deductions suffered will need to be recovered.

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

We will continue to deal with general creditor correspondence. Once sufficient assets have been realised, and costs in the administration ascertained, if there are sufficient funds to enable a distribution to be paid to non preferential creditors, the dividend will be declared and paid to proving creditors with agreed claims.

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

VAT and corporation tax returns will continue to be submitted for the period of administration and clearance will be sought from HM Revenue and Customs prior to closure of the administration.

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

Our fees estimate of £62,411 has not been exceeded as we have incurred time costs to date of £44,663.50. We propose to provide creditors with further information in this respect in future progress reports should our fees estimate be exceeded.

For reasons set out in this report, we anticipate that we will exceed our fees estimate as a result of the additional work undertaken in successfully obtaining an extension to the period of the administration order and the additional work that will now arise.

Work that was originally envisaged to have been undertaken whilst the Company was in Creditors' Voluntary Liquidation, will now be undertaken during the administration. Specifically, the Court has approved that the joint administrators are able to agree the claims and pay dividends to unsecured creditors from the administration. A revised estimate of fees will therefore follow in due course if required.

**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:

- Debt Collection Fees - £48,426.71 plus VAT:
- Accountants Fees - £2,500 plus VAT: We may be required to instruct the Company's former accountants, HSJ Accountants Limited, to assist with our investigations with regard to HM Revenue & Customs' enquiries.

## 9. 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.

### Connected party transactions

In accordance with Statement of Insolvency Practice 13, we confirm that the following assets were sold to a party connected to the Company:

Date of sale	Asset sold and nature of transaction	Consideration paid and date	Name of Purchaser	Relationship with the Company
26/11/2015	Motor Vehicle	£800 on 26/11/2015	Graham Bolton	Brother of Company Director

Prior to our appointment, a motor vehicle was sold to Ian Bolton, nephew of the director, Gordon Bolton. At the date of administration, a balance of £1,550 remained payable. Since our appointment, Ian Bolton has paid £1,250 in full and final settlement of this balance.

### Extension of administration

The administration has been extended by order of the court to 26 October 2018.

### Proposed exit route from administration

Our statement of proposals anticipated that there will be sufficient funds to enable a distribution to the unsecured creditors, which is not a distribution of the prescribed part. It was therefore anticipated that, as soon as we had fully discharged our duties as administrators and that the purpose of the administration had been fully achieved, we would implement the provisions of Paragraph 83 of Schedule B1 to the Act and place the Company into creditors' voluntary liquidation.

Upon taking legal advice in respect of this exit route, it has become clear that the wording of Paragraph 83 is ambiguous where there is no secured creditor and we have obtained an Order of the Court for an extension of the Administration Order, for the power to pay dividends to unsecured creditors in the administration, and move the Company straight from Administration to dissolution under Paragraph 84 of Schedule B1 to the Act.

## 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.

A handwritten signature in black ink, appearing to be 'David Hill', written over the text 'We will report again'.

**David Hill**  
**Joint Administrator**

Dated: 28 September 2017

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# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 17 March 2017 to 16 September 2017

**B.C.D.L. Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 17/03/2017 To 16/09/2017 £	From 26/10/2015 To 16/09/2017 £
	<b>ASSET REALISATIONS</b>		
NIL	Furniture & Equipment	NIL	NIL
9,925.00	Motor Vehicles	NIL	9,975.00
300,000.00	Contract Debts & Retentions	NIL	57,866.45
	Cash at Bank	NIL	30,340.41
20,000.00	Cash with Accountants	NIL	20,000.00
	Bank Interest Gross	NIL	98.54
		NIL	118,280.40
	<b>COST OF REALISATIONS</b>		
	Specific Bond	NIL	252.00
	Pre Administration Costs	NIL	9,254.85
	Office Holders Fees	NIL	25,000.00
	Agents/Valuers Fees	NIL	1,907.00
	Debt Collection Fees - Craigdam Servi	NIL	9,448.70
	Legal Fees - Application for AO	NIL	2,887.00
	Legal Fees	NIL	3,155.00
	Corporation Tax	19.60	19.60
	Accountants' Fees	NIL	2,975.00
	Statutory Advertising	NIL	153.44
	Insurance of Assets	NIL	371.00
	Bank Charges	NIL	12.00
		(19.60)	(55,435.59)
	<b>PREFERENTIAL CREDITORS</b>		
	RPO re Arrears/Holiday Pay	NIL	3,258.47
(9,267.00)	Employees re Arrears/Hol Pay	NIL	4,274.82
		NIL	(7,533.29)
	<b>UNSECURED CREDITORS</b>		
(584,928.00)	Trade Creditors	NIL	NIL
(47,704.00)	Employees' Claims	NIL	NIL
(663,845.00)	Director's Loan Account	NIL	NIL
(120,000.00)	HM Revenue & Customs	NIL	NIL
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(1.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(1,095,820.00)</b>		<b>(19.60)</b>	<b>55,311.52</b>
	<b>REPRESENTED BY</b>		
	Vat Receivable		4,926.84
	Bank 2 Current		47,973.42
	Vat Payable		(4,926.84)
	CIS Deductions		7,338.10
			<b>55,311.52</b>



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## TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 17 March 2017 to 16 September 2017; and
- c. Cumulative Time Costs Analysis for the period from 26 October 2015 to 16 September 2017.

## **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 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;

*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

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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

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 an entity 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 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 forecasted cost of insurance for the 3 month period immediately following appointment is £650 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. 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

**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 Cardiff 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 B.C.D.L. Limited - Administration - 40BC019.ADM : Time Costs Analysis From 17/03/2017 To 16/09/2017

Staff Grade	Consultant/Partner	Director	Snr Mgr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning		0.3	1.3			0.1				1.7	524.00	308.24
			0.5							0.5	165.00	310.00
		0.3	1.8			0.1				2.2	678.00	308.64
Compliance with the Insolvency Act, Rules and best practice												0.00
			0.6			0.1		1.0		1.7	313.50	184.41
												0.00
			2.6				0.7			6.6	2,085.00	316.52
		2.3	3.2			0.1	0.7	1.0		8.3	2,402.50	288.46
			1.3							1.3	403.00	310.00
			1.3							1.3	403.00	310.00
			2.7							3.2	1,034.50	323.26
												0.00
												0.00
			2.7							3.2	1,034.50	323.26
Trading												0.00
												0.00
												0.00
												0.00
			0.5							1.8	688.50	371.39
												0.00
			0.5							1.8	688.50	371.39
												0.00
												0.00
			2.6							2.6	806.00	310.00
												0.00
			2.6							2.6	806.00	310.00
			12.1			0.2	0.7	1.0		19.4		
		897.00	3,751.00			35.00	94.50	110.00			5,993.50	
		345.00	319.00			175.00	135.00	110.00	0.00			308.14
											25,000.00	

SIP9 B.C.D.L. Limited - Administration - 40BC019.ADM : Time Costs Analysis From 26/10/2015 To 16/09/2017

Staff Grade	Consultant/Partner	Director	Sr Mgr	Mngr	Asst Mngr	Sr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	1.0	3.7	1.5	5.0		0.1				11.3	3,479.00	307.88
Administration	7.5	0.3	0.9	7.8		0.3	3.0			19.8	5,868.50	296.44
Total for General Case Administration and Planning:	8.5	4.0	2.4	12.8		0.4	3.0			31.1	9,347.50	300.59
Compliance with the Insolvency Act, Rules and best practice	1.0			8.6			0.3			9.9	2,714.50	274.19
Appointment												
Banking and Bonding			1.5	3.6		1.8	0.6	2.0		9.5	2,035.00	214.21
Case Closure		0.7								0.7	241.50	345.00
Salary reporting and statement of affairs	13.5	2.8	2.6	21.8	0.4		1.8	1.0		44.0	13,343.00	303.25
Total for Compliance with the Insolvency Act, Rules and best practice:	14.5	3.5	4.1	34.1	0.4	1.8	2.7	3.0		64.1	18,334.00	286.02
Investigations			1.3	2.0						3.3	933.00	282.73
Total for Investigations:			1.3	2.0						3.3	933.00	282.73
Debt collection:	5.5	1.5	3.1	5.6				0.2		15.9	5,157.00	324.34
Property, business and asset sales				12.0	1.1					13.1	3,405.50	259.96
Retention of Title/Third party assets				0.9						0.9	238.50	265.00
Total for Realisation of assets:	5.5	1.5	3.1	18.5	1.1			0.2		20.9	6,001.00	284.35
Trading												0.00
Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions												0.00
Secured												0.00
Others	1.3	0.9	1.6	11.3	0.5		3.5			19.1	4,899.50	255.99
Creditors committee												0.00
Total for Dealing with all creditors claims (including employees), correspondence and distributions:	1.3	0.9	1.6	11.3	0.5		3.5			19.1	4,899.50	255.99
Other matters which includes meetings, tax, litigation, pensions and travel				2.3						2.3	609.50	265.00
Seeking decisions of creditors including meetings												0.00
Other												0.00
Tax		0.4	2.8	2.8						6.0	1,748.00	291.33
Litigation												0.00
Total for Other matters:		0.4	2.8	5.1						8.5	2,337.50	284.04
Total hours by staff grade:	29.8	19.3	15.3	83.8	2.0	2.2	9.2	3.2		155.8		
Total time cost by staff grade:	11,771.00	3,553.50	4,743.00	22,207.00	410.00	385.00	1,242.00	592.00			44,863.50	
Average hourly rate £:	395.00	345.00	310.00	268.00	205.00	175.00	133.00	110.00	0.00			286.87
Total fees drawn to date £:											25,000.00	

## STATEMENT OF ADMINISTRATORS' EXPENSES

No further expenses have been incurred during the period. Please see above details of further expenses that are anticipated to be incurred prior to closure of the administration.

## CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Specific Bond	AUA Insolvency Risk Services Limited	252.00
Agents/Valuers' Fees	Hicks Day Jones Westlake	1,907.00
Legal Fees	Morgan Rostron Solicitors	6,042.00
Accountants' Fees	HSJ Accountants Limited	2,975.00
Debt Collection Fees	Craigdam Services Limited	11,573.29
Statutory Advertising	TMP (UK) Limited	153.44
Bank Charges	Allied Irish Bank GB	12.00
Corporation Tax	HM Revenue & Customs	19.60
Expenses incurred with entities within the Begbies Traynor Group ( <i>for further details see Begbies Traynor Charging Policy</i> )		
Insurance premium paid to Eddisons	Aon UK Limited	371.00