

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 3 5 9 9 9 1 3

Company name in full East Midlands Contracting Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Gary Paul

Surname Shankland

3 Liquidator's address

Building name/number 31st Floor

Street 40 Bank Street

Post town London

County/Region

Postcode E 1 4 5 N R

Country

4 Liquidator's name ①

Full forename(s) Gareth David

Surname Rusling

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 3rd Floor

Street Westfield House

Post town 60 Charter Row

County/Region Sheffield

Postcode S 1 3 F Z


Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report											
From date	^d 1	^d 3	^m 1	^m 2	^y 2	^y 0	^y 1	^y 9				
To date	^d 1	^d 2	^m 1	^m 2	^y 2	^y 0	^y 2	^y 0				
7	Progress report											
<input checked="" type="checkbox"/> The progress report is attached												
8	Sign and date											
Liquidator's signature	Signature 								X			
Signature date	^d 2	^d 0	^m 0	^m 1	^y 2	^y 0	^y 2	^y 1				

LIQ03

Notice of progress report in voluntary winding up



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 Rebecca Jones

Company name Begbies Traynor (London) LLP

Address 31st Floor

40 Bank Street

Post town London

County/Region

Postcode E 1 4 5 N R

Country

DX

Telephone 020 7516 1500



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

East Midlands Contracting Limited (In **Creditors' Voluntary Liquidation**)

Progress report

Period: 13 December 2019 to 12 December 2020

Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. 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 and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	East Midlands Contracting Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators on 13 December 2018.
"the liquidators", "we", "our" and "us"	Gary Paul Shankland of Begbies Traynor (London) LLP, 31st Floor, 40 Bank Street, London, E14 5NR and Gareth David Rusling of Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016
"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 Act

2. COMPANY INFORMATION

Trading name(s):	East Midlands Contracting Limited
Company registered number:	03599913
Company registered office:	c/o 31st Floor, 40 Bank Street, London, E14 5NR
Former trading address:	The Barn, The Cliff, Ingham, Lincoln, LN1 2YQ

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	13 December 2018
Date of liquidators' appointment:	13 December 2018
Changes in liquidator (if any):	None

4. PROGRESS DURING THE PERIOD

We write to provide you with a report on the progress of the liquidation covering the period from 13 December 2019 to 12 December 2020 ("the Period"). It should be read in conjunction with the Statement of Insolvency Practice 6 report provided by Kingsbridge Corporate Solutions ("Kingsbridge") dated 3 December 2018, our initial letter to members and creditors dated 19 December 2018 and our first progress report dated 27 January 2020.

You can view or download a copy of our initial Creditor Information Pack and our first progress report via our website <https://nextranet.begbies-traynor.com>.

Alternatively, you can request a hard copy be sent to you by post by contacting the case administrator Rebecca Jones by e-mail rebecca.jones@btguk.com or by telephone on 020 7516 1545.

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the Period. Our comments on items appearing in the Account are detailed below.

The Company was registered for VAT, and therefore VAT is recoverable in respect of all costs and expenses as appropriate.

Receipts

Assignment of Claims

To date the sum of £1 has been realised following the assignment of any interest that the Company and the Joint Liquidators had in respect of potential claims against third parties. Further details are provided below.

Bank Interest Gross

Bank interest of £0.29 was earned on funds held in the estate bank account with Barclays Bank Plc ("Barclays").

Book Debts & Retentions

As you are aware, we instructed independent specialist quantity surveying practice, Leslie Keats ("LK") were to instigate collection procedures against all of those parties that owed money to the Company. Their fees were agreed as a percentage of recoveries made.

Unfortunately, it has not been possible to pursue these claims further due to the lack of supporting paperwork within the Company's books and records.

Payments

No payments have been made during the Period.

The work that has been done in the Period of this report, why that work was necessary and what financial benefit (if any) it has been 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.

Various items of general work that have been carried out in the Period that have no direct financial benefit to creditors but are either required by best practice or statute, as detailed below include:

- (a) General case administration and planning;
- (b) Compliance with the Act, Rules and best practice;
- (c) Investigations;
- (d) Dealing with distributions; and with all creditors' claims (including employees), correspondence; and
- (e) Dealing with Tax matters.

General case administration and planning

We have continued to maintain our case files and carry out regular compliance reviews of the case to ensure that any statutory requirements are being complied with and that the case is being efficiently and effectively progressed.

Whilst this work is not of a direct financial benefit to creditors, we are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.

Compliance with the Insolvency Act, Rules and best practice

We have carried out the following work in respect of statutory compliance matters during the Period:

- 1) Preparation of the annual progress reports to members and creditors, as well as submissions to Companies House;
- 2) Other regulatory compliance matters including bonding reviews and periodical bank reconciliations.

Whilst these items of work are not of a direct financial benefit to creditors, it is either a statutory or regulatory requirement that we must adhere to in the conduct of the liquidation. It is also of benefit to creditors as it ensures that they are advised of matters arising and progress within the liquidation.

Investigations

We completed our investigations into the affairs of the Company and instructed solicitors, Ward Hadaway, on a conditional fee basis to advise and assist in pursuing various avenues of recovery. This is dealt with further under Assignment of Claim below.

Realisation of assets

Assignment of Claims

With effect from 23 July 2020 the Joint Liquidators assigned any interest that the Company and the Joint Liquidators had in respect of potential claims against third parties in the liquidation estate to Asertis Limited, a claims funder, with a view to those claims being pursued by Asertis for the benefit of the estate. We understand that Counsel's views have been sought on the claims and proceedings are being finalised for issue.

If the claims are successful, the Estate will be entitled to receive 50% of the Net Proceeds.

Book Debts & Retentions

During the Period we continued to liaise with LK in respect of the debtor collections and brought the matter to a conclusion.

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

We have responded to all creditor communication received within a reasonable time.

The majority of this work will be of a direct financial interest to creditors.

Other matters which includes seeking decisions from creditors (via Deemed Consent Procedure and/or Decision Procedures, tax, litigation, pensions and travel

Tax

We have made the necessary tax submissions in terms of Corporation Tax and submitted VAT returns to HM Revenue & Customs ("HMRC") as and when VAT was to be recovered.

Pension

We continued to liaise with the Redundancy Payments Office in respect of those unpaid pension contributions and a revised claim was submitted and processed by them, these funds have now been paid into the Company's Nest pension for the benefit of the relevant former employees.

Whilst this particular item of work is not of a direct financial benefit to creditors, it is a necessary requirement that we must adhere to in order to fulfil our duties and comply with prevailing tax legislation.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the directors' Statement of Affairs.

Secured creditors

Secured creditors have security registered at Companies House. When they have a fixed charge over an asset, the secured creditor will be paid out of the realisations from those specific assets, after the costs of realisation have been deducted. When they have a floating charge over an asset, the secured creditor will be paid out of the realisations from those assets, after the costs of realisation, the preferential creditors have been paid in full and the prescribed part (see below) has been set aside.

A floating charge dated 29 October 2007 registered in favour of National Westminster Bank Plc was shown as outstanding at Companies House as at the date of liquidation; however there were no amounts due to them.

Following our appointment we arranged for a Satisfaction of a charge form (MR04) to be registered at Companies House. Therefore, there are no known secured creditors.

Preferential creditors

Preferential claims of employees for arrears of wages, salary, holiday pay and unpaid pension contributions were estimated at £46,771.31.

To date a claim has been received from the Redundancy Payments Office ("RPO") as follows:

Claim	£Amount
Redundancy Payments Office's subrogated claim for arrears of salary and holiday pay paid net of PAYE & NIC deductions	24,988.68
Total	24,988.68

We expect to receive an increased claim from the RPO following their settlement of the unpaid pension contributions.

Based upon realisations to date and estimated future realisations, it is anticipated that there will be insufficient funds available to enable a dividend to be paid to the preferential creditors. In the circumstances no steps have been taken to adjudicate their claims.

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

When a secured creditor has a floating charge registered after 15 September 2003, a proportion of the funds available to them are set aside for distribution to unsecured creditors. This is the prescribed part.

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

Unsecured creditors are all other non-secured and non-preferential creditors. These are usually the normal "trade" creditors. They rank below Preferential and Secured creditors, except when the prescribed part applies (as detailed above).

Unsecured creditors were estimated at £1,374,713.24 and to date we have received claims totalling £1,923,733.50.

Based upon realisations to date and estimated future realisations it is anticipated there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors. Therefore, no steps have been taken to adjudicate their claims.

VAT Bad Debt Relief

Creditors should note that they may be eligible for VAT bad debt relief in respect of their outstanding claims, six months after the relevant invoice date or payment date if later, provided the debt is written off in their books. Creditors should seek tax advice from their own professional advisers.

6. REMUNERATION & DISBURSEMENTS

Remuneration

Our remuneration has been fixed by a decision of the creditors on 14 January 2019 obtained via a Decision Procedure by way of correspondence by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (London) LLP in attending to matters arising in the winding up as set out in the fees estimate dated 19 December 2019 in the sum of £51,383.50 and we are authorised to draw disbursements for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, which is attached at Appendix 2 of this report.

Our time costs for the Period amount to £8,911.50 which represents 32.9 hours at an average rate of £270.87 per hour.

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

- ❑ Begbies Traynor (London) LLP's charging policy
- ❑ Time Costs Analysis for the Period
- ❑ Time Costs Analysis for the cumulative period 13 December 2018 to 12 December 2020.

To 12 December 2020, we have drawn the total sum of £4,000 on account of our remuneration, against total time costs of £46,964 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 liquidation.

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

The information provided in Section 4 above relates to the work undertaken during the Period of this report.

Please refer to our previous annual report for details of the work undertaken prior to the period covered by this report so as to avoid any repetition.

Disbursements

To 12 December 2020, we have also drawn disbursements in the sum of £1,019.34.

Why have subcontractors been used?

It has not been necessary to use any subcontractors during the Period.

Category 2 Disbursements

We have not incurred any Category 2 disbursements during the Period.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2017' which provides guidance on creditors' rights on how to approve and monitor a Liquidator'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.

7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the Period of this progress report is attached at Appendix 3. A cumulative statement showing the total expenses incurred since the date of our appointment also appears at Appendix 3.

Expenses actually incurred compared to those that were anticipated

Creditors will recall that we estimated that the expenses of the liquidation would total £31,074. That estimate has not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged.

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

Assets that remain to be realised:

Furniture & Equipment

CHW will arrange for the Company's remaining computer equipment to be sold when they are no longer required. The net proceeds will be paid into the estate after their costs have been discharged.

Assignment of Claims

We will continue to monitor the claims being pursued by Aseris and realise those monies that may become due to the Estate.

The work that remains to be done, why this is necessary and the financial benefit (if any) it will provide to creditors

General case administration and planning

We will continue to maintain our case files and carry out regular compliance reviews of the case to ensure that any statutory requirements are being complied with and that the case is being efficiently and effectively progressed.

Whilst this work is not of a direct financial benefit to creditors, we are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.

General case administration and planning

Pursuant to the requirements of the Insolvency Act 1986, regulatory compliance and best practice, we are required to carry out the following work:

- 1) Periodical bank reconciliations;
- 2) Annual progress reports to members and creditors, as well as submissions to Companies House;
- 3) Final progress report to members and creditors, as well as a submission to Companies House (see below);
- 4) Other sundry regulatory compliance matters including bonding reviews.

Once we have made the final distribution to unsecured creditors (if possible), we will proceed to close the liquidation. We are obliged, pursuant to Rule 7.71 of the Rules, to prepare and send a final account of the conduct of the liquidation to all members and creditors. Subject to any objection raised by a creditor within a prescribed period of eight weeks after delivery of the account, we will vacate office. We will then be released from liability. Circa 3-months thereafter, the Company will be dissolved.

Whilst these items of work are not of a direct financial benefit to creditors, it is either a statutory or regulatory requirement that we must adhere to in the course of the conduct of the liquidation. It is also of benefit to creditors as it ensures that they are advised of matters arising and progress in the liquidation.

Realisation of assets

We will continue to pursue the remaining Company's assets as detailed above.

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

We will continue to respond to creditors reasonable enquiries.

At present it is unlikely that there will be sufficient funds available to enable a dividend to be paid to any class of creditor, however if this position changes we will take steps to adjudicate the claims of creditors and pay a dividend.

The majority of this work will be of a direct financial interest to creditors.

Other matters which includes seeking decisions from creditors (via Deemed Consent Procedure and/or Decision Procedure, tax, litigation, pensions and travel)

Tax

Make necessary tax submissions in terms of Corporation Tax and submit VAT returns to HM Revenue & Customs ("HMRC") as and when VAT is to be recovered.

We are required to obtain tax clearance from HMRC before we can finalise and close the liquidation.

Whilst this particular item of work is not of a direct financial benefit to creditors, it is a necessary requirement that we must adhere to in order to comply with prevailing tax legislation.

How much will this further work cost?

Time costs incurred to date amount to £46,964 and we estimate that in line with our original estimate further time costs of £4,419.50 will be incurred, making total time costs incurred to the conclusion of the liquidation £51,383.50.

This assumes that the liquidation will conclude within one year with no funds available to pay a dividend to any class of creditor. However, if the position changes and/or the time we spend is higher than estimated we propose to seek the approval from creditors to an increased fee estimate.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the estimate of anticipated expenses sent to creditors on 19 December 2018 which included all of the expenses that we anticipate that we will incur throughout the liquidation.

9. OTHER RELEVANT INFORMATION

Creditors' Committee

The primary purpose of a Committee is to assist the liquidators in fulfilling their duties. This could involve helping them to make key decisions, for example to take legal action to recover assets, to represent the interests of the main body of unsecured creditors, or to provide the office holder with the benefit of specialist knowledge either about the company or the industry in which the company operates.

No creditors' committee has been formed.

Investigations and reporting on directors conduct

You may be aware that a liquidator has 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, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Energy and Industrial Strategy. We can confirm that we have discharged our duties in these respects.

Investigations carried out to date

We have completed our investigations into the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate are being pursued in this respect (Assignment of Claims).

Connected party transactions

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

Use of personal information

Please note that in the course of discharging our statutory duties as liquidators, 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 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 any 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 twelve months time or at the conclusion of the liquidation, whichever is the sooner.



G P Shankland
Joint Liquidator

Dated: 20 January 2021

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 13 December 2019 to 12 December 2020

East Midlands Contracting Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 13/12/2019 To 12/12/2020 £	From 13/12/2018 To 12/12/2020 £
	HIRE PURCHASE		
700.00	Sharp Photocopier	NIL	NIL
(2,292.00)	Siemens Financial Services	NIL	NIL
40,250.00	Audi A4 & Audi Q5	NIL	NIL
(54,172.00)	Audit Financial Services	NIL	NIL
16,500.00	Ford Transit Vans	NIL	17,200.00
(13,500.00)	Network	NIL	(15,262.50)
6,750.00	Nissan Nivara	NIL	6,500.00
(9,000.00)	Leaseplan (UK) Limited	NIL	(8,037.50)
6,135.00	Toyota Hilux	NIL	7,900.00
(4,135.00)	Toyota Financial Services (UK) Plc	NIL	(4,139.10)
		NIL	4,160.90
	ASSET REALISATIONS		
	Assignment of Claims	1.00	1.00
	Bank Interest Gross	0.29	3.84
842,915.00	Book Debts	NIL	NIL
1,098.77	Cash at Bank	NIL	1,245.84
500.00	Furniture & Equipment	NIL	248.00
1,750.00	Motor Vehicles	NIL	2,700.00
4,000.00	Plant & Machinery	NIL	10,612.50
174,942.00	Retentions	NIL	NIL
		1.29	14,811.18
	COST OF REALISATIONS		
	Agents/Valuers Fees (1)	NIL	4,141.28
	Insurance of Assets	NIL	1,280.16
	Liquidators' Expenses	NIL	1,019.34
	Liquidators' Fees	NIL	4,000.00
	Statement of Affairs Fee & Disbursements	NIL	8,010.43
		NIL	(18,451.21)
	PREFERENTIAL CREDITORS		
(10,944.41)	Employees re Arrears/Hol Pay	NIL	NIL
(632.96)	Pension Scheme	NIL	NIL
(35,193.94)	The National Insurance Fund	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(10,417.87)	Directors/ Former Directors	NIL	NIL
(23,304.01)	Employees	NIL	NIL
(209,823.42)	Funding Circle	NIL	NIL
(486,184.95)	HM Revenue & Customs	NIL	NIL
(204,539.79)	The National Insurance Fund	NIL	NIL
(399,847.20)	Trade & Expense Creditors	NIL	NIL
(1.00)	TRIIO	NIL	NIL
(22,831.00)	Victor Finance	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(391,378.78)		1.29	520.87
	REPRESENTED BY		
	Barclays FL Current Account		520.87
			520.87

TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (London) LLP's charging policy;
- b. Time Costs Analysis for the period from 13 December 2019 to 12 December 2020; and
- c. Cumulative Time Costs Analysis for the period from 13 December 2018 to 12 December 2020.

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 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 estimated cost of insurance for the 3 month period immediately following appointment is £2,000 inclusive of Insurance Premium Tax. The costs of insurance cover for subsequent quarter periods will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case.

In accordance with standard insurance industry practice, EIS will receive payment of commission for the services it provides from the insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

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

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*:

- Telephone and facsimile
- Printing and photocopying
- Stationery

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

Grade of staff	Charge-out rate (£ per hour) 1 May 2016 – until further notice
Consultant/Partner	495 – 550
Director	395
Senior Manager	365
Manager	315
Assistant Manager	285
Senior Administrator	250
Administrator	220
Trainee Administrator	160
Support	160

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

Time is recorded in 6 minute units.

SIP9 East Midlands Contracting Limited - Creditors Voluntary Liquidation - 01EA137.CVL : Time Costs Analysis From 13/12/2019 To 12/12/2020

Staff Grade		Consultant/Partner	Director	Srtr Mngr	Mngr	Asst Mngr	Srtr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning					0.9					0.9	256.50	285.00
	Administration	1.0			1.7	0.5			2.8	0.6	6.6	1,717.00	260.15
	Total for General Case Administration and Planning:	1.0			1.7	1.4			2.8	0.6	7.5	1,973.50	263.13
Compliance with the Insolvency Act, Rules and best practice	Appointment												0.00
	Banking and Bonding		0.1			0.2				2.4	2.7	480.50	177.96
	Case Closure	0.2									0.2	99.00	495.00
	Statutory reporting and statement of affairs					2.8					2.8	798.00	285.00
	Total for Compliance with the Insolvency Act, Rules and best practice:	0.2	0.1			3.0				2.4	5.7	1,377.50	241.67
Investigations	CDDA and investigations	1.5				9.5			0.7		11.7	3,562.00	304.44
	Total for Investigations:	1.5				9.5			0.7		11.7	3,562.00	304.44
Realisation of assets	Debt collection					0.2					0.2	57.00	285.00
	Property, business and asset sales					0.6					0.6	171.00	285.00
	Retention of Title/Third party assets												0.00
	Total for Realisation of assets:					0.8					0.8	228.00	285.00
Trading	Trading												0.00
	Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured												0.00
	Others					1.4			0.3		1.7	447.00	262.94
	Creditors committee												0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:					1.4			0.3		1.7	447.00	262.94
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel	Seeking decisions of creditors												0.00
	Meetings:												0.00
	Other					0.8					0.8	228.00	285.00
	Tax	0.4	0.2			1.3			2.8		4.7	1,095.50	233.09
	Litigation												0.00
	Total for Other matters:	0.4	0.2			2.1			2.8		5.5	1,323.50	240.64
	Total hours by staff grade:	3.1	0.3		1.7	18.2			6.6	3.0	32.9		
	Total time cost by staff grade:	1,534.50	118.50		535.50	5,187.00			1,056.00	480.00		8,011.50	
	Average hourly rate £:	495.00	395.00	0.00	315.00	285.00	0.00	0.00	160.00	160.00			270.87

SIP9 East Midlands Contracting Limited - Creditors Voluntary Liquidation - 01EA137.CVL : Time Costs Analysis From 13/12/2018 To 12/12/2020

Staff Grade		Consultant/Partner	Director	Str Mngr	Mngr	Asst Mngr	Str Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	2.0				3.1					5.1	1,873.50	367.35
	Administration	1.4	0.7		5.4	6.8	0.7	11.1	2.8	11.6	40.5	9,529.50	235.30
	Total for General Case Administration and Planning:	3.4	0.7		5.4	9.9	0.7	11.1	2.8	11.6	45.6	11,403.00	250.07
Compliance with the Insolvency Act, Rules and best practice	Appointment	3.0	0.3			13.3		3.7			20.3	6,208.00	305.81
	Banking and Bonding	0.1	0.5			1.2		0.2		9.2	11.2	2,105.00	187.95
	Case Closure	0.2									0.2	99.00	495.00
	Statutory reporting and statement of affairs	0.7				2.8					3.5	1,144.50	327.00
	Total for Compliance with the Insolvency Act, Rules and best practice:	4.0	0.8			17.3		3.9		9.2	35.2	9,556.50	271.49
Investigations	CDDA and investigations	3.7	0.6			31.6	0.5	1.5	1.2		39.1	11,721.50	299.78
	Total for Investigations:	3.7	0.6			31.6	0.5	1.5	1.2		39.1	11,721.50	299.78
Realisation of assets	Debt collection	0.3				3.7					4.0	1,203.00	300.75
	Property, business and asset sales	0.6	0.2			9.5					10.3	3,083.50	299.37
	Retention of Title/Third party assets												0.00
	Total for Realisation of assets:	0.9	0.2			13.2					14.3	4,286.50	299.76
Trading	Trading												0.00
	Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured												0.00
	Others					16.3		3.6	1.8		21.7	5,725.50	263.85
	Creditors committee	0.2									0.2	99.00	495.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:	0.2				16.3		3.6	1.8		21.9	5,824.50	265.96
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel	Seeking decisions of creditors												0.00
	Meetings:												0.00
	Other					5.0					5.0	1,425.00	285.00
	Tax	0.8	0.2			6.4			2.8		10.2	2,747.00	269.31
	Litigation												0.00
	Total for Other matters:	0.8	0.2			11.4			2.8		15.2	4,172.00	274.47
	Total hours by staff grade:	13.0	2.5		5.4	99.7	1.2	20.1	8.6	20.8	171.3		
	Total time cost by staff grade:	6,435.00	987.50		1,701.00	28,414.50	300.00	4,422.00	1,376.00	3,328.00		46,964.00	
	Average hourly rate £:	495.00	395.00	0.00	315.00	285.00	250.00	220.00	160.00	160.00			274.16
	Total fees drawn to date £:											4,000.00	

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Postage	Royal Mail Group plc	5.33	-	5.33
Storage	Restore plc	17.43	-	17.43
Total		22.76	-	22.76

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Advertising	Courts Advertising Limited	253.80	(253.80)	-
Agents/ Valuers Fees	C.W. Harrison & Son	4,141.28	(4,141.28)	-
Bond	Insolvency Risk Services	240.75	(240.75)	-
Bond	Willis Limited	387.50	(387.50)	-
Insurance of Assets	Eddisons Insurance Services Ltd	1,280.16	(1,280.16)	-
Land Registry Searches	Land Registry	3.00	(3.00)	-
Postage	Royal Mail Group plc	145.45	(131.49)	13.96
Statement of Affairs Fee & Disbursements	HW Chartered Accountants	850.00	(850.00)	-
Statement of Affairs Fee & Disbursements	Kingsbridge Corporate Solutions Ltd	7,160.43	(7,160.43)	-
Storage	Restore plc	32.83	(2.80)	30.03

Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
Insurance of Assets	Eddisons Insurance Services Ltd	1,280.16	(1,280.16)	-
Total		15,775.36	(15,731.37)	43.99