

LIQ03

Notice of progress report in voluntary winding up



Companies House

WEDNESDAY



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24/06/2020

#87

COMPANIES HOUSE

1 Company details

Company number 0 4 3 1 0 6 7 9
Company name in full Arrowe Security Systems Limited

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

2 Liquidator's name

Full forename(s) Yiannis
Surname Koumettou

3 Liquidator's address

Building name/number 1 Kings Avenue
Street Winchmore Hill
Post town London
County/Region
Postcode N 2 1 3 N A
Country

4 Liquidator's name ①

Full forename(s)
Surname

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

5 Liquidator's address ②

Building name/number
Street
Post town
County/Region
Postcode
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 0	^d 1	^m 0	^m 5	^y 2	^y 0	^y 1	^y 9
To date	^d 3	^d 0	^m 0	^m 4	^y 2	^y 0	^y 2	^y 0

7 Progress report☒ The progress report is attached**8 Sign and date**

Liquidator's signature

Signature

X



X

Signature date	^d 1	^d 6	^m 0	^m 6	^y 2	^y 0	^y 2	^y 0
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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 **Peter Odell**Company name **Begbies Traynor (Central) LLP**Address **1 Kings Avenue**Post town **London**

County/Region

Postcode **N 2 1 3 N A**

Country

DX **DX 36953 Winchmore Hill**Telephone **020 8370 7250****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

Arrowe Security Systems Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs £		From 01/05/2019 To 30/04/2020 £	From 01/05/2018 To 30/04/2020 £
	SECURED ASSETS		
187,200.00	Book Debts	NIL	NIL
Uncertain	Goodwill	NIL	6,500.00
		NIL	6,500.00
	SECURED CREDITORS		
(135,000.00)	Bibby Financial Services Limited	NIL	NIL
(20,000.00)	NWF (Micro Loans) L.P	NIL	NIL
(10,000.00)	Small Business Loans Limited	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
	Bank Interest Gross	7.05	10.91
NIL	Cash at Bank	NIL	8,669.79
	Finance Refunds	561.90	561.90
	Motor Vehicles	NIL	2,609.00
6,000.00	Overdrawn Directors Loan Account	2,000.00	2,000.00
	Stock	NIL	650.00
4,000.00	Tangible Assets	NIL	3,250.00
	VAT Refund on Factoring Charges	5,868.41	5,868.41
		8,437.36	23,620.01
	COST OF REALISATIONS		
	Agents/Valuers Fees	NIL	900.00
	Legal Fees (1)	589.00	589.00
	Liquidators Fees	NIL	NIL
	Office Holder's Remuneration	9,666.67	16,666.67
	Pre-appointment Fees	NIL	10,000.00
		(10,255.67)	(28,155.67)
	UNSECURED CREDITORS		
(149,103.27)	HMRC - PAYE/NIC/VAT/CIS/CT	NIL	NIL
(21,037.35)	Lloyds Bank Plc	NIL	NIL
(4,858.04)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(142,898.66)		(1,818.31)	1,964.34
	REPRESENTED BY		
	Bank 1 Current		1,546.54
	Vat Receivable		417.80
			1,964.34

Note:

All sums shown are net of any VAT. Any VAT payable, recoverable or suffered is disclosed separately.



Yiannis Koumettou
Liquidator



Arrowe Security Systems Limited (In Creditors' Voluntary Liquidation)

Progress report

Period: 1 May 2019 to 30 April 2020

Important Notice

This report has been produced during the Covid-19 restrictions. As a result, there has been limited access to physical case files and this report has been produced from records held electronically only. Every reasonable step has been taken to ensure that the information is accurate, however if anything is incorrect or incomplete, I will provide an explanation and corrected information in my next progress report.

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.

Contents

- ☐ Interpretation
- ☐ Company information
- ☐ Details of appointment of liquidators
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- ☐ Liquidator's expenses
- ☐ Assets that remain to be realised and work that remains to be done
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- ☐ Appendices
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 - 2. Liquidator's time costs summary
 - 3. Statement of Liquidator's expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Arrowe Security Systems Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of a liquidator on 1 May 2018.
"the liquidators", "I", "my" and "me"	Yiannis Koumettou of Begbies Traynor (Central) LLP, 1 Kings Avenue, Winchmore Hill, London, N21 3NA
"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):	Arrowe Security Systems
Company registered number:	04310679
Company registered office:	1 Kings Avenue, Winchmore Hill, London N21 3NA
Former trading address:	Unit 14, Badger Way, Cheshire Trading Estate, Prenton, CH43 3HQ

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	1 May 2018
Date of liquidators' appointment:	1 May 2018
Changes in liquidator (if any):	None

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is my abstract of receipts and payments for the period from 1 May 2019 to 30 April 2020 and 1 May 2018 to 30 April 2020.

The balance of funds is held with Barclays Bank Plc in an interest-bearing estate bank account.

I can confirm that since my appointment I have carried out all work necessary to realise the assets of the Company and investigate its conduct pursuant to the provisions of the Act. In addition, there is certain work that I am required by the insolvency legislation to undertake work in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken during the reporting period is contained within this report.

Details of the types of work that generally fall into the headings mentioned below are available on my 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 I have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

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

General case administration and planning

The following is a list of work I am required to undertake that provides no financial benefit to the Company creditors:

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up physical/electronic case files.
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate).
- Convening and holding decision procedures or general meetings of creditors and members (as applicable).
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing annual progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

Initial Investigations

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. Specifically, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the 2 years prior to the Company ceasing to trade from the Company's bankers; and compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the liquidation and made enquiries about the reasons for the changes.

A more detailed explanation is shown further below in the report.

Within three months of my appointment as Liquidators, I am required to submit a confidential report to the Department for Business Energy and Industrial Strategy to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company. I can confirm that I have discharged my duties in this regard.

Realisation of assets

This is the work that has been undertaken, or needs to be undertaken, to protect and then realise the known assets in the case.

There are certain tasks that I have to carry out where there are assets to recover. They may produce a direct benefit for creditors but are subject to the costs of the proceedings generally. I undertake the work to protect and then realise the assets, initially at my own cost, suffering the loss if any asset is not realisable. If assets are recovered, I first recover my costs and then distribute any balance.

Tangible assets:

Prior to my appointment, a valuation of the assets of the Company was prepared by MGR Appraisals Management Limited ("MGR"), an independent firm of valuers who have confirmed that they hold Professional Indemnity Insurance and was valued as shown below.

Asset Category	Valuation In-si	Valuation Ex-s
	£	£
Office Furniture & Equipment	21,000	1,500
Residual stock	13,200	200
Encumbered motor vehicles	4,200	1,900
Goodwill	14,200	NIL
Total	13,725	3,600

Sale of Business and Assets

Following my appointment, I received an offer from a connected company, Arrow Security Services Limited which is owned and operated by the wives of the Company's former directors for the purchase of the Company's business and assets. I am obliged to make this disclosure pursuant to SIP13. The offer received was £13,009 which was broken down as follows:

Tangible assets	£6,509
Goodwill	£6,500

My agents confirmed that this offer should be accepted given no other offers or interest had been received from any third parties. In addition, dealing with the assets on a forced sale basis would only realise approximately £3,600 before costs. Consequently, I agreed to sell the business and assets to Arrow Security Services Limited.

Payment for the business and assets has been made in full.

Debtors

As per the directors' statement of affairs, the Company's book debts had a book value of £208,000 with an estimated to realise value of £187,200. The Company operated a factoring facility with Bibby Financial Services Limited ("BFS") who were owed approximately £135,000 per the statement of affairs.

BFS have confirmed that they have been paid in full. BFS has re-assigned disapproved invoices amounting to £63,627.07 which they have advised are bad and doubtful.

Cash at Bank

Following my appointment, I was able to recover the sum of £8,670 from the Company's bank account.

Volkswagen Finance Refund

The Company has received a refund of £561.90 from Volkswagen Finance following the sale of a motor vehicle which was returned to the finance company on appointment as at that time it was deemed to have no equity.

Overdrawn Loan Accounts

Following my initial investigation into the Company's affairs, I highlighted a number of payments made to the Company's former directors that required further explanation as to the nature of the expense in addition to the overdrawn loan accounts stated in the estimated statement of affairs.

The directors estimated in the statement of affairs that £6,000 was owed to the Company by the directors, Philip Bettley and Leonard Smith, for amounts withdrawn from the Company's bank account. However, following a review of the Company's accounts for the year ended 31 December 2016, a debtors figure included overdrawn directors loan accounts of £116,884 and £96,034 respectively owed by the directors.

In addition, payments taken from the Company's bank account for the period from 1 January 2017 to 30 April 2018 amount to £68,244 and £57,295. In total, the sums owed by Philip Bettley total £185,128 and Leonard Smith amounts to £153,329.

Since my appointment I have been in correspondence with the directors regarding this matter. The directors dispute that these sums are owed. A meeting was been held with Philip Bettley in this regard and it was agreed that a reconciliation of the payments made to them would be prepared by him and that we would further provide documentary evidence to support their position that the amounts were not owed. The directors were to instruct a new firm of accountants to assist them.

Whilst the directors instructed new accountants to prepare the reconciliation, Phillip Bettley agreed to make a voluntary contribution of £2,500 per month as against the sums due and owing. Unfortunately, only one payment has been received to date of £2,000. During this time, the directors were able to reduce the balance owed to £168,317.31 to Philip Bettley and £138,281.67 to Leonard Smith.

No response was received from either the directors or from the newly instructed accountant in respect of a completed reconciliation. I have since instructed Howes Percival LLP to assist me in pursuing the directors for repayment of the sums I consider due to the Company.

Outside of the period covered by this report I can confirm that Howes Percival are in correspondence with solicitors instructed by Mr Philip Bettley however to-date no response has been received from Mr Smith.

The continuation of this work may result in a benefit to the Company's creditors by way of increasing realisations into the Liquidation estate. At present I am uncertain to confirm the exact quantum of the potential benefit to the estate.

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

I am required to maintain up-to-date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. I also need to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. I am required to undertake this work as part of my statutory functions.

The following is a breakdown of the work I have undertaken in respect of the Company's creditors:

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up-to-date creditor information on the case management system.

5. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment, as detailed in the director's statement of affairs, are as follows:

Secured creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company held numerous charges in favour of the following creditors.

BFS

As reported above, the Company operated a factoring facility with BFS. The Company granted a fixed and floating charge which was created on 13 December 2016 and registered at Companies House on 30 December 2016.

As reported above, BFS have been repaid in full.

NWF (Microloans) L.P. ("NWF")

The Company granted a floating charge to NWF in respect of monies loaned amounting to £47,000 to support business growth which was created on 21 April 2016 and registered at Companies House on 30 April 2016. As at 1 May 2019, the balance owed to NWF totalled £30,886. NWF have submitted a proof of debt in the sum of £30,885.77 and have confirmed that the directors have personally guaranteed the outstanding liability.

Small Business Loans ("SBL")

The Company granted a floating charge to SBL for monies loaned amounting to £50,000. The charge was created on 24 June 2014 and registered on 4 July 2014. As at 1 May 2019, the balance owed to SBL totalled £11,699. SBL have submitted a proof of debt in the sum of £11,698.78. In addition, SBL obtained a personal guarantee from the directors in respect of the outstanding liability.

As noted above, should there be funds available for a distribution to secured creditors, a prescribed part of the Company's net property will be made available to unsecured creditors. However, as no funds are available at present, I have not confirmed the validity of the charges and order of priority.

Preferential creditors

As per the statement of affairs, no preferential creditors were anticipated and I can report that no preferential claims have subsequently been received.

Unsecured creditors

Unsecured creditors were estimated at £174,998 as per the estimated statement of affairs. I have received claims amounting to £230,518.38 from 11 creditors.

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

Unsecured and Preferential creditors

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 any class of creditor, unless any further realisations are made into the estate as a result of my further action against the directors in respect of their overdrawn loan account.

6. REMUNERATION & DISBURSEMENTS

Remuneration

My remuneration was approved by the body of creditors at a meeting of creditors by correspondence on 10 August 2018 which was on a fixed fee basis, the details of which is shown below:

- Fixed fee of £35,000 plus VAT for undertaking the following categories of work: Administration, Creditors and Investigations;
- 20% of monies recovered in respect of overdrawn loan account, and;
- 20% of distributions, if applicable.

My time costs for the period from 1 May 2019 to 30 April 2020 amounts to £17,282 which represents 61.20 hours at an average rate of £282.39 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 1 May 2018 to 30 April 2020 and Time Costs for the period 1 May 2019 to 30 April 2020.
- ☐ Begbies Traynor (Central) LLP's charging policy

To 30 April 2020, I have drawn the total sum of £16,666.67 plus VAT on account of my remuneration, against total time costs of £39,748.50 incurred since the date of my 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.

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

The costs that were incurred from the date of my appointment to 30 April 2020 amount to £39,748.50 which represents 136.20 hours at an average rate of £2291.84. Details of the costs incurred during the period of this report are stated above.

Work undertaken prior to appointment

In addition to the post appointment time costs detailed in the Time Costs Analysis, the costs relating to work undertaken prior to my appointment was agreed at a meeting of creditors on 19 February 2018, whereby the Company's creditors authorised the payment of £10,000 plus VAT for assistance with preparing the statement of affairs and arranging the decision procedure for creditors to appoint a liquidator.

Payment of £0,000 plus VAT has been paid from first realisations as shown in the enclosed receipts and payments account.

Disbursements

We have incurred the following category 1 expenses totalling £690.15 in the period since my appointment as Liquidator. I have not drawn any expenses owed during the period of this report.

Type of expense	Amount incurred since the date of appointment
	£
Statutory Advertising	266.90
Postage	26.25
Companies House search	9.00
Bordereau	388.00

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 my office and I 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.

To-date I have instructed the following agents or professional advisors to assist me in respect of the work detailed as follows:

Professional Advisor	Nature of Work	Fee Arrangement
MGR Appraisals	Value assets + negotiate sale of business	Fixed fee
Howes Percival LLP	Legal fees	Time costs

The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money.

MGR Appraisals have carried out a valuation of the assets of the Company and assisted me in respect of the sale of the business and assets.

Howes Percival LLP are assisting me in recovering the sums due and owing from the directors under their respective loan accounts.

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

As detailed above, my investigations into the potential actions and recoveries which can be made into the Liquidation estate are continuing as reported above. The work which remains to be carried out is:

- Continue liaising with the directors and their instructed solicitors with my solicitors as regards the overdrawn loan accounts as detailed above;
- Write to the Company's debtors that have been re-assigned from BFS;
- General continuation of administration of the Liquidation estate including but not limited to:
 - Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
 - Setting up physical/electronic case files.
 - Setting up the case on the practice's electronic case management system and entering data.
 - Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.
 - Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate).
 - Convening and holding decision procedures or general meetings of creditors and members (as applicable).
 - Dealing with all routine correspondence and emails relating to the case.
 - Opening, maintaining and managing the office holder's estate bank account.
 - Creating, maintaining and managing the office holder's cashbook.
 - Undertaking regular reconciliations of the bank account containing estate funds.
 - Reviewing the adequacy of the specific penalty bond on a quarterly basis.
 - Undertaking periodic reviews of the progress of the case.
 - Overseeing and controlling the work done on the case by case administrators.
 - Preparing, reviewing and issuing annual progress reports to creditors and members.
 - Filing returns at Companies House.
 - Preparing and filing VAT returns.
 - Preparing and filing Corporation Tax returns

9. OTHER RELEVANT INFORMATION

Use of personal information

Please note that in the course of discharging my statutory duties as liquidator, I may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, I am 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 I provide further information about my 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

The liquidation is still on-going, and creditors will be informed of the progress in my next annual progress report or my final progress report, whichever is sooner.



Yiannis Koumettou ACA MABRP
Liquidator

Dated: 16 June 2020

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 1 May 2018 to 30 April 2020 and 1 May 2019 to 30 April 2020

Arrowe Security Systems Limited
(In Liquidation)
Liquidator's Summary of Receipts and Payments

RECEIPTS	Statement of Affairs (£)	From 01/05/2018 To 30/04/2019 (£)	From 01/05/2019 To 30/04/2020 (£)	Total (£)
Goodwill	Uncertain	6,500.00	0.00	6,500.00
Book Debts	187,200.00	0.00	0.00	0.00
Tangible Assets	4,000.00	3,250.00	0.00	3,250.00
Motor Vehicles		2,609.00	0.00	2,609.00
Stock		650.00	0.00	650.00
Overdrawn Directors Loan Account	6,000.00	0.00	2,000.00	2,000.00
Finance Refunds		0.00	561.90	561.90
VAT Refund on Factoring Charges		0.00	5,868.41	5,868.41
Cash at Bank	NIL	8,669.79	0.00	8,669.79
Bank Interest Gross		3.86	7.05	10.91
		21,682.65	8,437.36	30,120.01

PAYMENTS

Bibby Financial Services Limited	(135,000.00)	0.00	0.00	0.00
Small Business Loans Limited	(10,000.00)	0.00	0.00	0.00
NWF (Micro Loans) L.P	(20,000.00)	0.00	0.00	0.00
Pre-appointment Fees		12,000.00	0.00	12,000.00
Office Holder's Remuneration		5,000.00	9,666.67	14,666.67
Agents/Valuers Fees		900.00	0.00	900.00
Legal Fees (1)		0.00	589.00	589.00
Trade & Expense Creditors	(4,858.04)	0.00	0.00	0.00
Lloyds Bank Plc	(21,037.35)	0.00	0.00	0.00
HMRC - PAYE/NIC/VAT/CIS/CT	(149,103.27)	0.00	0.00	0.00
Ordinary Shareholders	(100.00)	0.00	0.00	0.00
		17,900.00	10,255.67	28,155.67

Net Receipts/(Payments)	3,782.65	(1,818.31)	1,964.34
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MADE UP AS FOLLOWS

Bank 1 Current	202.65	1,343.89	1,546.54
VAT Receivable / (Payable)	3,580.00	(3,162.20)	417.80
	3,782.65	(1,818.31)	1,964.34

Note:

All sums shown are net of any VAT. Any VAT payable, recoverable or suffered is disclosed separately.

TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 1 May 2019 to 30 April 2020 and 1 May 2018 to 30 April 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 either of the bases allowed under The Insolvency Act England & Wales Rules 2016. These are either:

- As a percentage of the value of the assets realised and/or distributed
- On a time costs basis or
- As a set amount.

Different rates can be used for individual assets or types of assets. Where we would like to realise assets on variable bases we will provide further information explaining why we think that this is appropriate and ask creditors to approve the variables.

Within our fee estimate creditors can see how we propose to be remunerated..

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):

- 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

(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)
	18 March 2019 – until further notice
Consultant/Partner	645 - 710
Director	515
Senior Manager	440
Manager	410
Assistant Manager	315
Senior Administrator	290
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.

[illegible]

[illegible]

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				
Solicitors fees	Howes Percival	£589	£589	£Nil
Agents fees	MGR Appraisals	£900	£900	£Nil
Statutory advertising	London Gazette	£266.90	Nil	£266.90
Specific Bond	Insolvency Risk Services	£388.00	Nil	£388.00