

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

TUESDAY

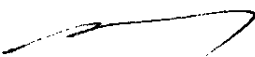


A09 \*A9015GZ7\* 03/03/2020 #47  
COMPANIES HOUSE

<b>1</b>	<b>Company details</b>	
Company number	0 5 1 0 5 1 4 9	<b>→ Filling in this form</b> Please complete in typescript or in bold black capitals.
Company name in full	The Crown Inn (Worthington) Limited	
<b>2</b>	<b>Liquidator's name</b>	
Full forename(s)	Gareth David	
Surname	Rusling	
<b>3</b>	<b>Liquidator's address</b>	
Building name/number	3rd Floor	
Street	Westfield House	
Post town	60 Charter Row	
County/Region	Sheffield	
Postcode	S 1 3 F Z	
Country		
<b>4</b>	<b>Liquidator's name</b> ①	
Full forename(s)	Ashleigh William	<b>① Other liquidator</b> Use this section to tell us about another liquidator.
Surname	Fletcher	
<b>5</b>	<b>Liquidator's address</b> ②	
Building name/number	3rd Floor	<b>② Other liquidator</b> Use this section to tell us about another liquidator.
Street	Westfield House	
Post town	60 Charter Row	
County/Region	Sheffield	
Postcode	S 1 3 F Z	
Country		

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<b>6</b>		<b>Period of progress report</b>															
From date	<sup>d</sup>	0	<sup>d</sup>	5	<sup>m</sup>	0	<sup>m</sup>	1	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	1	<sup>y</sup>	9	
To date	<sup>d</sup>	0	<sup>d</sup>	4	<sup>m</sup>	0	<sup>m</sup>	1	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	2	<sup>y</sup>	0	
<b>7</b>		<b>Progress report</b>															
		<input checked="" type="checkbox"/> The progress report is attached															
<b>8</b>		<b>Sign and date</b>															
Liquidator's signature	<div>Signature</div> <div> <span>X</span>  <span>X</span> </div>																
Signature date	<sup>d</sup>	2	<sup>d</sup>	6	<sup>m</sup>	0	<sup>m</sup>	2	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	2	<sup>y</sup>	0	

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 **Keith Wilson**

Company name **Begbies Traynor (SY) LLP**

Address  
**3rd Floor, Westfield House  
60 Charter Row**

Post town **Sheffield**

County/Region

Postcode **S 1 3 F Z**

Country

DX

Telephone **0114 2755033**



**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)**

**The Crown Inn (Worthington) Limited**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £	From 05/01/2019 To 04/01/2020 £	From 05/01/2016 To 04/01/2020 £
	GENERAL FIXED CHARGE	
	Agents Fees - Fixed	8,284.67
	Legal Fees - Fixed	(7.80)
	Office Holders Fees - Fixed	10,000.00
		(18,276.87)
	PROPERTY & LAND	
(420,000.00)	National Westminster Bank Plc	222,497.20
500,000.00	Property & Land	NIL
		(222,497.20)
	ASSET REALISATIONS	
	Bank Interest Gross	33.83
		33.83
	COST OF REALISATIONS	
	Bank Charges	34.65
	Disbursements	
	Mileage	63.00
	Postage	59.13
	Storage	19.20
	Specific Bond	150.00
	Statutory Advertising	291.22
	VAT Not Recoverable	1,656.92
		(2,274.12)
	UNSECURED CREDITORS	
(292,683.00)	HM Revenue & Customs	NIL
(85,894.00)	Trade & Expense Creditors	NIL
		NIL
	DISTRIBUTIONS	
(100.00)	Ordinary Shareholders	NIL
		NIL
(298,677.00)		
	REPRESENTED BY	
	Bank Balance	45,179.50
	VAT Control Account	1,001.14
	VAT Receivable	(1,000.00)
		45,180.64

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**The Crown Inn (Worthington) Limited  
(in Creditors' Voluntary Liquidation)**

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Progress report

Period: 5 January 2019 to 4 January 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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- ☐ Details of appointment of liquidators
- ☐ Progress during the period
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- ☐ Remuneration and disbursements
- ☐ Liquidators' expenses
- ☐ Assets that remain to be realised and work that remains to be done
- ☐ Other relevant information
- ☐ Creditors' rights
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  - 2. Liquidators' time costs and disbursements
  - 3. Statement of liquidators' expenses

## 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	The Crown Inn (Worthington) Limited (in Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of joint liquidators on 5 January 2016
"the liquidators", "we", "our" and "us"	Gareth David Rusling of Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield S1 3FZ and Ashleigh William Fletcher 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:	None
Company registered number:	05105149
Company registered office:	3rd Floor, Westfield House, 60 Charter Row, Sheffield S1 3FZ
Former trading address:	Platt Lane, Standish, Wigan, Greater Manchester WN1 2XF

## 3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	5 January 2016
Date of liquidators' appointment:	5 January 2016
Changes in liquidator:	None

## 4. PROGRESS DURING THE PERIOD

### Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 5 January 2019 to 4 January 2020.

#### Receipts

##### Bank Interest Gross

The funds held in the estate bank account have earned gross interest in the sum of £33.83, during the period covered by this report.

#### Payments

##### Agents Fees – Fixed

Eddisons Commercial Limited ("Eddisons") have been paid £8,284.67 plus VAT in relation to their assistance with the valuing, managing the marketing campaign of the Company's property, and the sale of the same.

##### National Westminster Bank Plc ("NatWest")

The Company's secured creditor, NatWest, were previously paid £222,497.20 from the funds received from sale of the Company's property and in relation to their legal charge held over the Company's property. It was previously agreed that the sum of £5,000 would initially be temporarily held in escrow pending the finalisation of all formalities relating to the sale of the property.

As this process has been completed, a further payment of £5,000.00 is due to be paid to NatWest shortly in completion of this transaction.

##### Bank Charges

Santander have been paid £34.65 in relation to the maintenance charges incurred on the estate bank account, during the liquidation.

##### Disbursements – Mileage

Mileage charges in the sum of £63.00 have been discharged in relation to the costs of travelling to the meeting of creditors, upon the joint liquidator's appointment.

##### Disbursements – Postage

Postage charges in the sum of £59.13 plus VAT have been incurred and discharged in relation to the costs of issuing the joint liquidators previous annual reports to the Company's creditors upon their anniversaries.

##### Disbursements – Storage

Funds totalling £19.20 have been incurred and discharged in relation to the costs of storing the Company's books and records during the liquidation.

##### Office Holders' Fees

The joint liquidators have drawn remuneration in the sum of £10,000.00 plus VAT against their total post-appointment time costs, in accordance with the resolutions obtained upon the joint liquidator's appointment.



### Specific Bond

The joint liquidators have obtained a statutory bond to cover all realisations in the case. The sum of £150.00 has been paid in this regard.

### Statutory Advertising

EPE Reynell Advertising Limited have been paid £291.22 in relation to the advertisement of the joint liquidator's appointment being placed in the London Gazette, as required by the Insolvency Act.

### VAT Not Recoverable

VAT on the Fixed Agents Fees paid to Eddisons in the sum of £1,656.92 has been written off as irrecoverable as the Company had previously deregistered for VAT purposes back in 2016.

### **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

During the period covered by this report, we have spent time on general case administration and planning where a partner, director and different levels of administration staff have undertaken periodic case reviews to ensure that the case has progressed as appropriate and that all statutory duties have been completed as necessary.

In addition, the case specific diary has been monitored and updated regularly to ensure that all deadlines have been met.

The above works will not result in a financial benefit to the Company's creditors as a whole however, it ensures that the case is progressing as required.

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

The joint liquidators have issued their annual report to the Company's creditors, along with the necessary notices to the Registrar of Companies as required by the Insolvency Act.

The estate bank account held with Santander has been regularly monitored and reconciled against our internal system to ensure all receipts and payments are being correctly accounted for.

The joint liquidators have obtained a statutory bond to cover all realisations into the case. Regular reviews of the level of bond have been undertaken to ensure that this remains at an appropriate level.

These works will not result in a financial benefit to the Company's creditors however the joint liquidators have a statutory duty to undertake this work therefore the costs of undertaking the same cannot be avoided.

### Investigations

No investigations have been undertaken during the period covered by this report.

### Realisation of assets

Time has been spent corresponding with Eddisons in relation to the fees owed to them for their assistance with the valuing, marketing and sale of the Company's property and providing payment to them for the same.

As detailed above, payment has also been made to NatWest, upon the sale of the Company's property in relation to the funds owed from the charge held over Company. As mentioned above, a second payment of £5,000 is due to be paid to NatWest from funds held in escrow in finalisation of the asset sale transaction.

This work has not provided a financial benefit over the Company's creditors however, it is required by the Insolvency Act and best practice to undertake this work.

### Trading

The Company has not traded during the liquidation therefore no time has been incurred in this regard.

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

No time has been spent corresponding with the Company's creditors during the period covered by this report. However, should the joint liquidators receive any correspondence from creditors, this will be responded to as required.

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

The joint liquidators have spent time preparing and submitting Corporation Tax and VAT returns to HM Revenue and Customs as required by the Insolvency Act.

This work has not provided a financial benefit to the Company's creditors, however the joint liquidators have a duty to undertake the same therefore this work cannot be avoided.

## 5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our progress report for the period 5 January 2017 to 4 January 2018.

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

### **Secured creditors**

NatWest have received an initial payment of £222,497.20 from the sale of the Company's property against their total liability in the sum of £420,000.00. As already indicated, a final payment of £5,000 is due to be paid to NatWest shortly. NatWest will have therefore suffered a shortfall of £192,502.80 as a consequence of the winding-up of the Company.

### **Preferential creditors**

There are no known preferential claims to consider in this matter.

### **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 progress report for the period 5 January 2018 to 4 January 2019.

As the floating charge was created 15 September 2003, the Prescribed Part provisions will apply. However, as NatWest have received a distribution under the provisions of their fixed charge security and not their floating charge security following the sale of the Company's property, the Prescribed Part does not apply. As a consequence, 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 it is anticipated there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.

## **6. REMUNERATION & DISBURSEMENTS**

### **Remuneration**

Our remuneration has been fixed by a resolution of creditors by 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 (SY) LLP in attending to matters arising in the winding up as set out in the fees estimate dated 18 January 2016 in the sum of £25,634.61 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 original fees estimate was increased by £28,424.00 by the approval of creditors on 3 March 2017. This makes the total amount of our approved estimate £54,058.61.

Our time costs for the period from 5 January 2019 to 4 January 2020 amount to £6,223.50 which represents 32.6 hours at an average rate of £190.90 per hour.

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

- ☐ Begbies Traynor (SY) LLP's charging policy;
- ☐ Time Costs Analysis for the period 5 January 2019 to 4 January 2020.

To 4 January 2020, we have drawn the total sum of £10,000.00 plus VAT on account of our remuneration, against total time costs of £47,086.50 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.

As can be seen from the information above, and the cumulative Time Costs Analysis, our increased fees estimate has not been exceeded. We are pleased to report that we do not anticipate that it is likely to be exceeded if matters progress to conclusion as envisaged.

## Disbursements

To 4 January 2020, we have also drawn disbursements in the sum of £582.55.

### Why have subcontractors been used?

The joint liquidators instructed Eddisons based on the joint liquidators' knowledge of the agents experience and known ability to perform the type of work to be undertaken and also taking into account the complexity and nature of the assignment and the basis of their fee arrangements.

### 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 our last report to creditors:

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Mileage	63.00
Postage	59.13
Storage	19.20
Specific Bond	150.00
Statutory Advertising	291.22
<b>TOTAL</b>	<b>582.55</b>

### Disbursements treated as Category 2 disbursements

Other amounts paid or payable to any party in which the office holder or his firm or any ass has an interest	
Type and purpose	Amount £
Eddisons Commercial Limited, which is a member of the Begbies Traynor group, has provided the marketing and disposal of the Company's property.	8,284.67
<b>TOTAL</b>	<b>8,284.67</b>

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2015' 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](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. 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 £34,410.00. 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

All of the Company's assets have now been 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

The joint liquidators will continue to progress the case, including performing periodic case reviews to ensure that the case is progressing as required and the case is passed for closure when possible. The case specific diary will also be regularly monitored and updated to ensure that all due date are being met.

This work will not provide a financial benefit to the Company's creditors however, it will ensure that the liquidation is being progressed in a strategic manner.

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

The joint liquidators will continue to produce annual progress reports as required by the Insolvency Act and Rules and upon completion of all matters, will produce a final report and circulate it to the Company's creditors and file the necessary notices with the Registrar of Companies.

The estate bank account will be regularly monitored and reconciled against our internal system to ensure that all receipts and payments continue to be correctly accounted for.

Periodic bond reviews will be undertaken to ensure that the joint liquidators statutory bond remains at an appropriate level to cover all realisations in the case.

This work will not provide a financial benefit to the Company's creditors however, they are required by statute therefore cannot be avoided.

### Investigations

No further investigations are anticipated to be undertaken during the liquidation.

### Realisation of assets

No further assets remain to be realised therefore no time will be spent in this regard.

### Trading

The Company has not traded in liquidation therefore, no time will be incurred in this regard.

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

The joint liquidators will continue to respond to any correspondence received from creditors in relation to their claims and queries regarding the prospect of a dividend.

This work will not result in a financial benefit to the Company's creditors however the joint liquidators are required to respond to such correspondence.

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

The joint liquidators will continue to prepare and submit VAT and Corporation Tax returns to HM Revenue and Customs as and when required.

There will be no financial benefit to creditors from such works being undertaken, however it is a statutory requirement therefore the costs incurred for the same cannot be avoided.

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

This work is anticipated to cost approximately £7,000.00 as per the increased fees estimate sent to creditors previously.

#### **Expenses**

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the estimate of anticipated expenses sent to creditors on 12 January 2016 which included all of the expenses that we anticipate that we will incur throughout the liquidation.

## **9. OTHER RELEVANT INFORMATION**

#### **Investigations and reporting on director's 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 undertaken an initial assessment of the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect. There have been no recoveries in this respect.

#### **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.



**Gareth David Rusling**  
**Joint Liquidator**

Dated: 27 February 2020

# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 5 January 2019 to 4 January 2020



**The Crown Inn (Worthington) Limited**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £	From 05/01/2019 To 04/01/2020 £	From 05/01/2016 To 04/01/2020 £
	GENERAL FIXED CHARGE	
	Agents Fees - Fixed	8,284.67
	Legal Fees - Fixed	(7.80)
	Office Holders Fees - Fixed	10,000.00
		<u>(18,276.87)</u>
	PROPERTY & LAND	
(420,000.00)	National Westminster Bank Plc	222,497.20
500,000.00	Property & Land	<u>NIL</u>
		<u>(222,497.20)</u>
	ASSET REALISATIONS	
	Bank Interest Gross	<u>33.83</u>
		<u>33.83</u>
	COST OF REALISATIONS	
	Bank Charges	34.65
	Disbursements	
	Mileage	63.00
	Postage	59.13
	Storage	19.20
	Specific Bond	150.00
	Statutory Advertising	291.22
	VAT Not Recoverable	<u>1,656.92</u>
		<u>(2,274.12)</u>
	UNSECURED CREDITORS	
(292,683.00)	HM Revenue & Customs	NIL
(85,894.00)	Trade & Expense Creditors	<u>NIL</u>
		<u>NIL</u>
	DISTRIBUTIONS	
(100.00)	Ordinary Shareholders	<u>NIL</u>
		<u>NIL</u>
<b>(298,677.00)</b>		<b><u>(243,014.36)</u></b>
	REPRESENTED BY	
	Bank Balance	45,179.50
	VAT Control Account	1,001.14
	VAT Receivable	<u>(1,000.00)</u>
		<b><u>45,180.64</u></b>

## TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (SY) LLP's charging policy;
- b. Time Costs Analysis for the period from 5 January 2019 to 4 January 2020; and
- c. Cumulative Time Costs Analysis for the period from 5 January 2016 to 4 January 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 guidance<sup>1</sup> requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance<sup>2</sup> indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

### **OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

### **EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

Best practice guidance classifies expenses into two broad categories:

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

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

- 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*) are charged at the rate of £7.50 per box per month.

*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.

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

<sup>2</sup> Ibid 1

**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 Valuation & Insolvency* to provide valuation and marketing services. Their charges will be calculated on a percentage basis of 2%.

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 £1,065 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.

Eddisons Insurance Services Limited are also instructed to provide risk management services, in particular the management of insurance compliance works for vacant properties. Their charges for providing these services will be calculated.

**Remote Zone Alarm System;**

Installation & commissioning	250.00
Weekly rental of alarm system	80.00
Alarm response by SIA patrol	40.00
	(per visit to site)
Monthly key-holding charge	15.00
Removal & decommissioning of system	150.00

**Boarding;**

Boarding of the ground floor of the building	1,180.00
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**Concrete Blocks;**

Delivery and installation of two large concrete blocks across the entrance	1,550.00
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All prices are subject to VAT

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

<b>Grade of staff</b>	<b>Charge-out rate (£ per hour) 1 December 2018 – until further notice</b>
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Support	140

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

Time is recorded in 6 minute units.

Staff Grade	Consultant/Partner	Director	Sr Mgr	Analyst - Forensic	Sr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	1.1	0.3	0.1			1.0			2.5	892.50	357.00
	0.4	1.2				2.4	10.7	1.5	16.2	2,860.00	176.54
Total for General Case Administration and Planning	1.5	1.5	0.1			3.4	10.7	1.5	18.7	3,752.50	200.67
Compliance with the Insolvency Act, Rules and best practice											
Appointment											
Banking and Bonding	0.1	0.3				0.2	1.1	6.6	8.3	1,296.00	156.14
Case Closure											
Statutory reporting and statement of affairs		0.4			0.9		0.7	0.6	2.6	562.50	216.35
Total for Compliance with the Insolvency Act, Rules and best practice	0.1	0.7			0.9	0.2	1.8	7.2	10.8	1,859.00	170.00
Investigations											
CODA and investigations											
Total for Investigations											0.00
Realisation of assets											
Debt collection											0.00
Property, business and asset sales		0.2			0.6				0.8	296.00	370.00
Retention of Title/Third party assets											0.00
Total for Realisation of assets		0.2			0.6				0.8	296.00	370.00
Trading											
Total for Trading											0.00
Dealing with all creditors claims (including employees), correspondence and distributions											
Secured											0.00
Others											0.00
Creditors committee											0.00
Total for Dealing with all creditors claims (including employees), correspondence and distributions											0.00
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel											
Seeking decisions of creditors											
Meetings											
Other											
Tax					0.1			2.1	2.2	316.50	143.86
Litigation											0.00
Total for Other matters					0.1			2.1	2.2	316.50	143.86
Total hours by staff grade:	1.6	2.4	0.1		1.0	3.6	12.5	10.8	32.6		
Total time cost by staff grade:	792.00	1,068.00	39.50		225.00	630.00	1,750.00	1,512.00		6,223.50	
Average hourly rate £:	495.00	445.00	395.00		225.00	175.00	140.00				190.90
Total fees drawn to date £:										10,000.00	

Staff Grade	Consultant/Partner	Director	Sr Mgr	Mngr	Asst Mgr	Sr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	2.8	0.5	0.1	0.1		2.3	2.3	2.3		10.4	2,490.50	239.47
Administration	5.6	2.4		13.5	0.3	0.3	10.1	14.5	7.2	53.9	11,168.00	207.20
<b>Total for General Case Administration and Planning:</b>	<b>8.4</b>	<b>2.9</b>	<b>0.1</b>	<b>13.6</b>	<b>0.3</b>	<b>2.6</b>	<b>12.4</b>	<b>18.8</b>	<b>7.2</b>	<b>64.3</b>	<b>13,038.50</b>	<b>212.42</b>
Compliance with the Insolvency Act, Rules and best practice				10.0					3.9	13.9	3,078.00	221.51
Appointment												
Banking and Bonding	0.1	0.3		1.1			0.6	1.1	8.0	11.2	1,807.50	161.36
Case Closure												0.00
Statutory reporting and statement of affairs		0.7		4.0		8.4	9.4	0.7	1.6	24.8	4,367.50	176.11
<b>Total for Compliance with the Insolvency Act, Rules and best practice:</b>	<b>6.1</b>	<b>1.0</b>		<b>15.1</b>		<b>8.4</b>	<b>10.0</b>	<b>1.8</b>	<b>13.5</b>	<b>48.9</b>	<b>9,254.00</b>	<b>185.45</b>
Investigations	1.8			6.5			1.0			9.3	2,568.50	276.18
<b>Total for Investigations:</b>	<b>1.8</b>			<b>6.5</b>			<b>1.0</b>			<b>9.3</b>	<b>2,568.50</b>	<b>276.18</b>
Realisation of assets												0.00
Debt collection												
Property, business and asset sales	23.5	0.2		16.7	0.4		9.3			50.1	15,182.50	303.04
Retention of Title/Third party assets				0.6						0.6	159.00	265.00
<b>Total for Realisation of assets:</b>	<b>23.5</b>	<b>0.2</b>		<b>17.3</b>	<b>0.4</b>		<b>9.3</b>			<b>50.7</b>	<b>16,341.50</b>	<b>303.89</b>
Trading												0.00
<b>Total for Trading:</b>												<b>0.00</b>
Dealing with all creditors claims (including employees), correspondence and distributions				0.3						0.3	79.50	265.00
Secured	2.7			10.5		0.3	0.3	0.3	0.6	14.7	4,011.00	272.85
Others												0.00
Creditors committee												
<b>Total for Dealing with all creditors claims (including employees), correspondence and distributions:</b>	<b>2.7</b>			<b>10.8</b>		<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.6</b>	<b>15.0</b>	<b>4,090.50</b>	<b>272.70</b>
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel												0.00
Seeking decisions of creditors												
Meetings	4.5									4.5	1,777.50	395.00
Other						0.3				0.3	52.50	175.00
Tax						0.1	0.2		2.1	2.4	343.50	143.13
Litigation												0.00
<b>Total for Other matters:</b>	<b>4.5</b>					<b>0.4</b>	<b>0.2</b>		<b>2.1</b>	<b>7.2</b>	<b>2,173.50</b>	<b>301.88</b>
Total hours by staff grade:	41.0	4.1	0.1	63.3	0.7	11.7	33.2	18.9	23.4	196.4		
Total time cost by staff grade:	16,445.00	1,884.50	39.50	16,822.50	143.50	2,097.50	4,828.00	2,478.00	2,770.00		47,066.50	
Average hourly rate £:	401.10	405.98	395.00	265.76	205.00	179.27	139.34	131.11	118.38		239.75	
Total fees drawn to date £:											10,000.00	

# 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 <b>not</b> within the Begbies Traynor Group				
Bank Charges	Santander	34.65	34.65	Nil
Disbursements – Mileage	Begbies Traynor	63.00	63.00	Nil
Disbursements – Postage	Royal Mail	59.13	59.13	Nil
Disbursements – Storage	Restore	19.20	19.20	Nil
Specific Bond	Willis Limited	150.00	150.00	Nil
Statutory Advertising	EPE Reynell Advertising Limited	291.22	291.22	Nil
VAT Not Recoverable	HM Revenue & Customs	1,656.92	1,656.92	Nil
Expenses incurred with entities within the Begbies Traynor Group ( <i>for further details see Begbies Traynor Charging Policy</i> )				
Agents Fees – Fixed	Eddisons Commercial Limited	8,284.67	8,284.67	Nil



## CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Agents Fees – Fixed	Eddisons Commercial Limited	8,284.67
Bank Charges	Santander	34.65
Disbursements – Mileage	Begbies Traynor	63.00
Disbursements – Postage	Royal Mail	59.13
Disbursements – Storage	Restore	19.20
Specific Bond	Willis Limited	150.00
Statutory Advertising	EPE Reynell Advertising Limited	291.22
VAT Not Recoverable	HM Revenue & Customs	1,656.92