



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

1	Company details	
Company number	0 5 6 0 4 9 7 9	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	AJUK Realisations Limited (formerly Andrew James UK Ltd)	
2	Administrator's name	
Full forename(s)	Lee	
Surname	Lockwood	
3	Administrator's address	
Building name/number	Fourth Floor	
Street	Toronto Square	
Post town	Toronto Street	
County/Region	Leeds	
Postcode	L S 1 2 H J	
Country		
4	Administrator's name ^①	
Full forename(s)	Bob	① Other administrator Use this section to tell us about another administrator.
Surname	Maxwell	
5	Administrator's address ^②	
Building name/number	Fourth Floor	② Other administrator Use this section to tell us about another administrator.
Street	Toronto Square	
Post town	Toronto Street	
County/Region	Leeds	
Postcode	L S 1 2 H J	
Country		

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 1	^d 8	^m 1	^m 0	^y 2	^y 0	^y 2	^y 0
To date	^d 1	^d 7	^m 0	^m 4	^y 2	^y 0	^y 2	^y 1

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date	^d 1	^d 2	^m 0	^m 5	^y 2	^y 0	^y 2	^y 1
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AM10

Notice of administrator's progress report



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name Oliver Anderson

Company name Begbies Traynor (Central) LLP

Address Fourth Floor

Toronto Square

Post town Toronto Street

County/Region Leeds

Postcode L S 1 2 H J

Country

DX

Telephone 0113 244 0044



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

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

Lee Lockwood and Bob Maxwell were appointed joint administrators on 18 October 2019

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability.

AJUK Realisations Limited (formerly
Andrew James UK Ltd) (In
Administration)

Progress report of the joint administrators

Period: 18 October 2020 to 17 April 2021

Important Notice

This progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

This report has been produced during the Covid-19 HM Government restrictions. As a result, our access to information within our physical case files has been limited as our firm has implemented remote working wherever possible in line with HM Government guidance in order to protect its employees and to limit the spread of the virus. Consequently, this report has been prepared from information we are able to access remotely. We have taken every reasonable step to ensure that the information is accurate, but if anything is incorrect or incomplete, we will provide an explanation and corrected information in our next progress report.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	AJUK Realisations Limited (formerly Andrew James UK Ltd) (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 18 October 2019
"the administrators" "we" "our" and "us"	Lee Lockwood of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ and Bob Maxwell of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

2. STATUTORY INFORMATION

Name of Company	AJUK Realisations Limited (formerly Andrew James UK Ltd)
Trading name:	Andrew James
Date of Incorporation:	27 October 2005
Company registered number:	05604979
Company registered office:	4th Floor Toronto Square, Toronto Street, Leeds, LS1 2HJ

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators:	Lee Lockwood, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ and Bob Maxwell, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ
Date of administrators' appointment:	18 October 2019
Court:	High Court of Justice, Business and Property Courts in Leeds, Insolvency and Companies List (ChD)
Court Case Number:	CR-2019-LDS-0001111
Person making appointment / application:	Andrew Tomlinson in his capacity as director of the Company
Acts of the administrators:	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EU Regulation on Insolvency Proceedings:	Regulation (EU) No 2015/848 of the European Parliament and of the Council applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.
Extensions of the administration period	The Administration period was extended with the consent of the secured creditors for a period of 12 months to 17 October 2021.

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 18 October 2020 to 17 April 2021.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details>. Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment. The details below relate to the work undertaken in the period of the report only. Our previous reports contain details of the work undertaken since our appointment.

General case administration and planning

Time has been spent in populating and maintaining the virtual electronic case files. We have continued to ensure that we have an accurate and complete record of how the case is being administered, including fully documenting the reasons for any decisions that materially affect the case.

Internal meetings have been held between the case staff in relation to all aspects of the administration to discuss strategy and ensure case progression.

Whilst this work does not benefit creditors financially, it is necessary to ensure the efficient and compliant progression of the Administration.

Compliance with the Insolvency Act, Rules and best practice

The time incurred preparing and sending our previous progress report to creditors dated 16 November 2020 falls under the period of this report.

We have continued to monitor the statutory bond level throughout to ensure that it is sufficient to protect the interests of the Company's creditors. During the period we have paid £80 to Marsh Limited in relation to our bonding costs incurred at the commencement of the Administration.

Our cashiering team has spent time dealing with any receipts and payment through the bank account, together with regular bank reconciliations.

Whilst this work is of no financial benefit to creditors, it is necessary in accordance with the Act, Rules and best practice.

Investigations

We have continued to seek updates from Henderson & Jones ("H&J") regarding the Company's claims assigned to them in respect of antecedent transactions identified prior to our appointment. In addition, we have met with the solicitors acting on behalf of H&J in order to assist them with ongoing dialogue and provide further information where required.

We are still not in a position to disclose further details of the claims at this stage but will be in a position to do so once those claims have been settled or concluded.

Realisation of assets

Assets Subject to Finance – Fox Cover

A significant number of the Company's assets subject to hire purchase agreements were located at the former leasehold premises known as Fox Cover. Creditors may recall these assets were left in-situ and were being marketed with the property Fox Cover, which is owned by another company in Administration, Imbue Property Limited ("Imbue").

However, due to the parties interested in the Fox Cover building preferring an empty unit, we have facilitated the sale and collection of the assets during the period. As the assets were subject to security by HSBC Equipment Finance Limited, Santander and Société Générale and their value was insufficient to discharge that security, there were no additional realisations for the Administration estate.

Assets Subject to Finance – Lighthouse View

There was also some furniture and equipment at the Company's head office site, Lighthouse View, which was subject to finance with Macquarie Corporate & Asset Finance ("Macquarie"). It was agreed that these assets would be disposed of with the sale of Lighthouse View by the Administrators of Imbue.

Imbue will shortly pay across the £12,000 realised in respect of the sale of the office furniture and equipment as part of the sale of Lighthouse View. The Company has paid the £10,000 settlement to Macquarie in respect of these assets.

Plant & Machinery - Unencumbered

The proceeds from the sale of the remaining office equipment located at the Company's former leasehold premises have been paid to us by Eddisons Commercial Limited ("Eddisons").

Realisations during the period amount to £6,791 following the sale of the remaining office equipment located at the Company's former leasehold premises on 8 October 2020. Our agents Eddisons facilitated this sale via both online and on-site auctions.

Eddisons were paid £679 for their assistance provided together with disbursements of £1,267.

As all of the Company's assets have now been dealt with, we paid Eddisons Insurance Services Limited the sum of £1,066 in respect of the insurance of assets from the date of appointment to the date of sale.

Bank Interest

We have accrued bank interest of £6 on the funds held in the Administration account during the period.

This work has a direct financial benefit to creditors as recoveries in this regard increase the funds in the insolvent estate and in turn the dividend prospects.

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

We have dealt with all creditor queries as and when they have been received. We have also provided updates and reported to the Company's secured creditors throughout the Administration to keep them apprised of progress.

Any financial benefit to creditors in carrying out the above work is unclear at present however creditors will receive updates on these matters in future reports.

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

The majority of time under this matter has been spent in dealing with the Company's corporation tax matters. We instructed Garbutt & Elliott LLP ("G&E") to assist with preparation of the outstanding corporation tax returns. G&E have been paid £2,500 for the assistance provided to date.

Administrators expenses comprising mileage (£95) and travel costs (£17), as well as pre-appointment expenses comprising mileage (£871), travel costs (£24) and subsistence (£13) have been paid during the period.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our statement of proposals.

Secured creditors

HSBC Bank plc

HSBC Bank plc ("HSBC") is likely to be repaid in full by Imbue from the sale of Fox Cover. HSBC's claim against the Company and its position as primary secured creditor will remain unless and until it is repaid in full by Imbue.

HSBC Asset Finance (UK) Limited and HSBC Equipment Finance (UK) Limited

It is likely that HSBC Asset Finance (UK) and HSBC Equipment Finance (UK) will suffer a shortfall against its their indebtedness despite the sales of the financed assets reducing their outstanding indebtedness.

Amazon Capital Services (UK) Limited

As previously discussed in previous reports Amazon Capital Services (UK) Limited are unlikely to receive a distribution from the Company and as such will suffer a loss against its lending.

Business Recovery Funding

Based on current estimates there will be insufficient funds to pay a dividend to Business Recovery Funding ("BRF"). However, BRF may still receive a distribution through their guarantee from Imbue. It is anticipated that the unsecured creditors of Imbue may receive a dividend although the quantum of which is presently unknown.

Preferential creditors

Based upon realisations to date and estimated future realisations, there will be insufficient funds available to enable a dividend to be paid to the preferential creditors.

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

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the administrator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- ❑ 50% of the first £10,000 of net property;
- ❑ 20% of net property thereafter;
- ❑ Up to a maximum amount to be made available of £600,000

An administrator will not be required to set aside the prescribed part of net property if:

- ❑ the net property is less than £10,000 and the administrator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or
- ❑ the administrator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

We have estimated, to the best of our knowledge and belief, the Company's net property, as defined in Section 176A(6) of the Act, to be £Nil and the prescribed part of the Company's net property to be £Nil.

We have not made a distribution of the prescribed part as the estimate of the Company's net property is less than the minimum prescribed by the Insolvency Act 1986 (Prescribed Part) Order 2003 and we consider, in accordance with Section 176A(3)(b) of the Act, that the costs of making a distribution of the prescribed part to unsecured creditors would be disproportionate to the benefits.

Unsecured creditors

Based upon realisations to date and estimated future realisations there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.

Effect of administration on limitation periods under the Limitation Act 1980

As we have previously confirmed, the Limitation Act 1980 continues to apply to all debts due from the Company. Case law indicates that where a company is in administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Company becoming time-barred during the course of the administration, we strongly recommend that you seek independent legal advice on the options available to you to prevent this.

6. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by reference to the time properly given by us and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters as set out in the fees estimate. As creditors will recall, our current costs are being charged at HSBC panel rates but will revert to our standard rates in the event that HSBC are repaid in full.

We are also authorised to draw disbursements for services provided by our firm and/or entities within the Begbies Traynor Group, disbursements in accordance with our firm's policy, details of which accompanied the Statement of proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report.

Creditors will recall that our original HSBC panel rates fees estimate as increased by £40,815 on 3 July 2020, taking our total amount of approved estimate to £115,734 at HSBC panel rates. The approved fee estimate will increase if/when HSBC are repaid in full from the Administration of Imbue, as set out in our Statement of Proposals.

Our time costs for the period from 18 October 2020 to 17 April 2021 amount to £18,088 which represents 97 hours at an average rate of £187 per hour. Further information in relation to our time costs is set out at Appendix 2 and provides details of the work undertaken by us and our staff following our appointment only.

To 17 April 2021, we have not drawn anything on account of our remuneration, against total time costs of £129,682 incurred since the date of our appointment.

Time Costs Analysis

In addition to the time costs information disclosed at Appendix 2 for the period of this report, a cumulative Time Costs Analysis for the period from 18 October 2019 to 17 April 2021 is also attached at Appendix 2.

As can be seen from the information above, we have exceeded the limit of our previously approved estimate. For the avoidance of any doubt, we have not drawn any remuneration in excess of the level approved. The reasons why the previously approved estimate has been exceeded are as follows:

- Assisting the finance creditors with realising their assets located at the former leasehold warehouse, Fox Cover. This included liaising with various agents and finance providers; and
- Investigating the claims identified and proving additional information to H&J.

As any fee we draw will be limited due to current realisations, we are not proposing to seek approval of a further increase to our fee estimate from the secured creditors of the Company. Once the ongoing claim assigned to H&J has concluded, we will review the position and provide an update on our remuneration accordingly.

Category 1 Disbursements

During the period we have not drawn any disbursements against £3 incurred during the period.

Category 2 Disbursements

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been drawn during the period of this report in accordance with the approval obtained in the total sum of £1,066 are as follows:

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 Insurance Services Limited ("EIS"), which is a member of the Begbies Traynor group, has provided insurance brokerage services, having arranged open cover insurance in relation to the Company's assets.	1,066.35
TOTAL	1,066.35

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2017 which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact office and we will arrange to send you a copy.

7. ADMINISTRATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3. A cumulative statement of expenses also appears at Appendix 3 which details the expenses incurred since the date of our appointment.

Expenses actually incurred compared to those that were anticipated

Creditors will recall that we estimated that the expenses of the administration would total £77,368. 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

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

We are required to maintain records to demonstrate how the case is being administered and to document the reasons for any decisions that materially affect the case on an ongoing basis. This will include compliance reviews, internal checklist updates, periodic case reviews and maintaining case files.

Whilst this work does not benefit creditors financially, it is necessary to ensure the efficient progression of the case and is a requirement in accordance with the law and our regulatory body.

Compliance with the Insolvency Act, Rules and best practice

In order to remain compliant there are numerous statutory and regulatory requirements to meet. Whilst many of the tasks we will carry out do not relate to the realisation of assets they are necessary to assist us with the compliant progression of the administration.

We will draft and issue interim progress reports on a six-monthly basis to provide an update to the creditors of the progress made during the administration. These documents will be filed to meet statutory requirements.

In addition, a final progress report will have to be produced once the administration has reached its conclusion. This will provide creditors with an overview of the administration, including all realisations, costs and the final outcome for creditors.

It is likely an extension of the administration will be required, as such we will seek an extension by an Order of the Court if matters have not concluded prior to the current expiry of the Administration in October 2021.

We will also continue to monitor realisations and compare to the statutory bond level to ensure that sufficient cover is in place at all times in order to protect the interests of the Company's creditors.

Time will be spent in monitoring and updating the estate cash book and bank accounts, including regular bank reconciliations. Our cashing team will also spend time in processing any receipts or payments.

Realisation of assets

We are not anticipating any further significant realisations. Any further realisations will be achieved from the various claims assigned to H&J. We will continue to correspond with H&J in this regard and update creditors upon conclusion of the matter.

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

It will be necessary to continue to update creditors as the case continues to progress, should any changes be made to dividend prospects and the timing of their distribution we will correspond with creditors accordingly.

We will also continue to report to the Company's secured creditors until conclusion of the case.

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

In accordance with law and best practice we will ensure submission of VAT and corporation tax returns to HMRC in respect of the Administration period. We will continue to liaise and provide information to G&E in order to submit the outstanding corporation tax returns for the Company. There may be a tax liability in respect of the sale of the Company's brand name, which will be settled in due course.

Whilst the above work does not benefit creditors financially, it is necessary in accordance with statutory requirements and best practice.

How much will this further work cost?

We estimate additional total time costs for the Administration to total approximately £15,000, bringing total time costs in respect of this matter to £145,000. Please be advised that this is just an estimate based upon the time spent on similar historical cases.

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 in conjunction with our previous progress report.

9. OTHER RELEVANT INFORMATION

Report on Directors conduct

As detailed in our statement of proposals, we have a duty to submit a report to the Department for Business, Energy and Industrial Strategy on the conduct of the directors. We have complied with our duties in this respect.

Investigations completed

As explained in our Statement of Proposals, we have undertaken an initial assessment of the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect.

Extension of administration

The Administration has been extended for a period of 12 months with the consent of creditors. We will consider whether it is necessary to extend the Administration by consent of the Court once the timescales for dealing with the claims assigned to H&J are known.

Proposed exit route from administration

Our proposed exit route remains in line with our Statement of Proposals.

Use of personal information

Please note that in the course of discharging our statutory duties as Joint Administrators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been incurred during the period of this progress report.

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

11. CONCLUSION

We will report again in approximately six months' time or at the conclusion of the administration, whichever is the sooner.



R A H Maxwell
Joint Administrator

Dated: 12 May 2021

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 18 October 2020 to 17 April 2021

Statement of Affairs	From 18/10/2020 To 17/04/2021	From 18/10/2019 To 17/04/2021
£	£	£
SECURED ASSETS		
Intellectual Property	-	121,000.00
	-	121,000.00
COSTS OF REALISATION		
Website Costs	-	120.18
Filing Fees	-	10.00
	-	(130.18)
HIRE PURCHASE		
241,500.00 Hire Purchase Assets	-	3,000.00
(1,087,531.00) Hire Purchase Liabilities	(10,000.00)	(12,936.40)
	(10,000.00)	(9,936.40)
ASSET REALISATIONS		
Bank Interest Gross	5.95	25.59
Cash at Bank	-	4,139.39
Employee Cost Recharge	-	12,663.81
25,000.00 Plant & Machinery	6,791.00	24,191.00
Sale of Claims	-	500.00
29,689.00 Stock	-	54,180.47
Sundry Refund	-	109.28
	6,796.95	95,809.54
COST OF REALISATIONS		
Accountancy Fees	2,500.00	2,500.00
Administrators' Expenses	111.58	111.58
Agents Disbursements	1,267.20	1,267.20
Agents/Valuers Fees (2)	679.10	13,179.10
Corporate Finance	-	1,500.00
Insurance of Assets	1,066.35	1,066.35
PAYE & NI	-	3,427.24
Direct Labour	-	9,851.96
Pension Contributions	-	1,518.63
Pre-appointment Agent's Fees and Dis	-	4,652.00
Pre-appointment Disbursements	909.00	909.00
Specific Bond	80.00	80.00
Statutory Advertising	-	87.48
	(6,613.23)	40,150.54
PREFERENTIAL CREDITORS		
(19,800.00) Employees re Arrears/Hol Pay	-	-
	-	-
FLOATING CHARGE CREDITORS		
(253,549.34) Amazon Capital Services (UK) Limited	-	-
(60,000.00) Business Recovery Funding Limited	-	-
(4,093,182.38) HSBC Bank plc	-	-
(193,220.28) HSBC Equipment Finance (UK) Limite	-	-
	-	-
UNSECURED CREDITORS		
(36,012.92) Employees	-	-
(377,837.71) HMRC	-	-
(240,000.00) Imbue Property Limited	-	-
(586,782.36) Loan Creditors	-	-
(796,367.71) Trade Creditors	-	-
	-	-

Statement of Affairs	From 18/10/2020 To 17/04/2021	From 18/10/2019 To 17/04/2021
£	£	£
DISTRIBUTIONS		
(1,002.00) Ordinary Shareholders	<u>-</u>	<u>-</u>
(7,449,096.70)	<u>-</u>	<u>-</u>
	<u>(9,816.28)</u>	<u>166,592.42</u>
REPRESENTED BY		
Bank 1 Current		31,727.28
Bank 2 Current		133,084.66
Fixed Charge VAT Payable		(24,200.00)
Vat Control Account		26,806.68
Vat Payable		(1,326.20)
Vat Receivable		500.00
		<u>166,592.42</u>

TIME COSTS INFORMATION

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 18 October 2020 to 17 April 2021; and
- c. Cumulative Time Costs Analysis for the period from 18 October 2019 to 17 April 2021.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice 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.

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

- ❑ 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.

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

- Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £100 (London £150) per meeting;
- Car mileage is charged at the rate of 45 pence per mile;

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

² Ibid 1

- 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.

Services provided by other entities within the Begbies Traynor group

In addition to the 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. The following items of expenditure which relate to services provided 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 Commercial Limited to provide property valuation and disposal services. Their charges will be equivalent to 1% of realisations (assuming that they remain as joint agents). If Eddisons Commercial Limited became sole selling agents, their charges will be equivalent to 2% of realisations.

In addition to the charges of Eddisons Commercial Limited detailed above for providing the services to the office holder, where any machinery and business assets (other than freehold/leasehold property) are disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's premium, equivalent to 15% of the successful bid. Where any freehold/leasehold property is disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's administration fee, in the sum of £600. It is standard auction industry practice for a buyer's premium and buyer's administration fee to be charged. The buyer's premium and buyer's administration fee is paid by the purchaser of the assets and is not paid by the office holder from the assets of the estate.

- Eddisons Commercial Limited is assisting with the management of Imbue Property Limited's freehold properties. Its fees for this work will be based upon time costs incurred at the charge out rates below.

Grade of staff	Charge-out rate (£ per hour)
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

- Eddisons Commercial Limited is also instructed to provide security and risk management services, in particular in relation to the security of Imbue property Limited's freehold properties. Eddisons Commercial Limited undertakes this work under its "Remotzone" brand. Its charges for providing these services will be calculated on a time cost bases; the details of which re provided above.
- In addition to the services detailed above, it may become necessary to instruct Eddisons Commercial Limited to provide additional services, not currently anticipated, during the course of the case. In such circumstances and to avoid the costs associated with seeking further approval, the charges for such services will be calculated on a time costs basis at the prevailing hourly rates above.
- 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 forecasted cost of insurance for the 3 month period immediately following appointment is £1,000 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. Where relevant, administration fees may be charged, These costs are taken into consideration and included within the forecasted cost of insurance, above.

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

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

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

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

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

As set out, Begbies Traynor has a specific agreement with HSBC Bank plc ("HSBC") in relation to work done where it is the secure creditor. In those case (such as this), we apply the following charge out rates until HSBC is repaid in full. However, if HSBC is repaid in full, we will then revert all time costs incurred to the rates above.

Grade of staff	Charge-out rate (£ per hour)
	to 17 January 2021
Partner	260
Director	260
Senior Manager	190
Manager	190
Assistant Manager	190
Senior Administrator	130
Administrator	85
Junior Administrator	85
Support	85

Grade of staff	Charge-out rate (£ per hour) 18 January 2021 until further notice
Partner	229
Director	229
Senior Manager	167
Manager	167
Assistant Manager	167
Senior Administrator	114
Administrator	75
Junior Administrator	75
Support	75

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.

The office holder may use the services of BTG Forensic during the course of the case. BTG Forensic is a specialist department of the office holder's firm which provides forensic accounting services. The current charge-out rates applying to work carried out by BTG Forensic are as follows:

Grade of staff	Charge-out rate (£ per hour)
Partner	495
Senior Manager	395
Analyst	175

STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Accountancy Fees	Garbutt and Elliott	2,500.00	2,500.00	0.00
Legal Fees	Irwin Mitchell LLP	1,877.00	0.00	1,877.00
Search Fees	Land Registry	3.00	0.00	3.00
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
Insurance	Eddisons Insurance Services Limited	1,066.35	0.00	0.00

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Agents Fees	Eddisons Commercial Limited	13,179.10
Agents Disbursements	Eddisons Commercial Limited	1,267.20
Legal Fees	Irwin Michell LLP	33,594.25
	Shoosmiths	11,730.00
Legal Disbursements	Irwin Mitchell LLP	375.00
Insurance	Eddisons Insurance Services Limited	3,782.70
Statutory advertising	Courts Advertising Limited	87.48
Storage Costs	Restore	7.35
Search Fees	Land Registry	3.00
Parking	Various	17.08
Mileage	Begbies Traynor (Central) LLP	94.50
Bond	Marsh Limited	80.00
Accountancy Fees	Garbutt and Elliott	2,500.00