

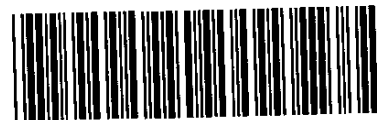
LIQ03

Notice of progress report in voluntary winding up



Companies House

WEDNESDAY



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08/04/2020

#185

COMPANIES HOUSE

1 Company details

Company number 0 5 8 2 1 5 3 6

Company name in full Edward Nicholson Contractors Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Gareth David

Surname Rusling

3 Liquidator's address

Building name/number 3rd Floor

Street Westfield House

Post town 60 Charter Row

County/Region Sheffield

Postcode S 1 3 F Z

Country

4 Liquidator's name ①

Full forename(s) Joanne Louise

Surname Hammond

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 3rd Floor

Street Westfield House

Post town 60 Charter Row

County/Region Sheffield

Postcode S 1 3 F Z

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6 Period of progress report

From date	^d 1	^d 5	^m 0	^m 2	^y 2	^y 0	^y 1	^y 9
To date	^d 1	^d 4	^m 0	^m 2	^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

W. Hammer

X

Signature date

^d0

^d1

^m0

^m4

^y2

^y0

^y2

^y0

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	Kirsty Radford
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 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

Edward Nicholson Contractors Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 15/02/2019 To 14/02/2020 £	From 15/02/2016 To 14/02/2020 £
ASSET REALISATIONS		
Cash at Bank	NIL	496.25
Directors Contribution	1,000.00	9,250.00
	1,000.00	9,746.25
COST OF REALISATIONS		
Accountants Fees	NIL	3,600.00
Bank Charges	12.00	50.00
Disbursements		
Postage	NIL	12.03
Office Holders Fees	NIL	2,700.00
Specific Bond	NIL	35.00
Statement of Affairs Fee	NIL	1,500.00
Statutory Advertising	NIL	294.96
	(12.00)	(8,191.99)
UNSECURED CREDITORS		
(572.42) Arval UK Limited	NIL	NIL
(728.00) Brown McLeod Limited	NIL	NIL
(9,887.40) HM Revenue & Customs - Corporation	NIL	NIL
(6,972.00) HM Revenue & Customs - VAT	NIL	NIL
	NIL	NIL
DISTRIBUTIONS		
(100.00) Share Capital	NIL	NIL
	NIL	NIL
(18,259.82)	988.00	1,554.26
REPRESENTED BY		
Bank Balance		1,554.26
		1,554.26

Joanne Hammond

Joanne Louise Hammond
Joint Liquidator

**Edward Nicholson Contractors Limited
(In Creditors' Voluntary Liquidation)**

Progress report

Period: 15 February 2019 to 14 February 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.

Contents

- ☐ Interpretation
- ☐ Company information
- ☐ Details of appointment of liquidators
- ☐ Progress during the period
- ☐ Estimated outcome for creditors
- ☐ Remuneration and disbursements
- ☐ Liquidators' expenses
- ☐ Assets that remain to be realised and work that remains to be done
- ☐ Other relevant information
- ☐ Creditors' rights
- ☐ Conclusion
- ☐ Appendices
 - 1. Liquidators' account of receipts and payments
 - 2. Liquidators' time costs and disbursements
 - 3. Statement of Liquidators' expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Edward Nicholson Contractors Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators on 15 February 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 Joanne Louise Hammond of Begbies Traynor (SY) LLP 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Trading name(s):	Edward Nicholson Contractors Limited
Company registered number:	05821536
Company registered office:	3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ
Former trading address:	3 Fossvie Close, Strensall, York, North Yorkshire, YO32 5BL

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	15 February 2016
Date of liquidators' appointment:	15 February 2016
Changes in liquidator (if any):	John Russell has retired from office as Joint Liquidator of the

Company. By an order of the High Court of Justice, dated 24 April 2017, Joanne Louise Hammond of this office was appointed Joint Liquidator in his place. Joanne Louise Hammond is licenced as an Insolvency Practitioner by the Insolvency Practitioners Associations

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 15 February 2019 to 14 February 2020.

Receipts

- 4.1 After performing our statutory investigations, the Joint Liquidators identified an overdrawn loan account in the sum of £35,544.00 due from the director. Shortly after appointment a settlement offer of £20,500 was made with a repayment plan of £2,500.00 on 31 January 2017 and £1,000.00 thereafter for 18 months. During the period of this report, the sum of £1,000.00 has been received.

Unfortunately, despite numerous promises of payment from both the director and his advisers, the payment plan has not been adhered to and therefore the Joint Liquidators have been left with no alternative but to instruct solicitors to pursue this matter. Legal letters have been drafted and issued to the director and we await his response.

Should it become necessary to issue legal proceedings for the recovery of the loan account, there may be a short delay in doing so as a result of the current coronavirus (Covid -19) outbreak.

Payments

- 4.2 Bank charges of £12.00 have been applied to the estate account.

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

The Joint Liquidators have incurred time carrying out periodic case reviews which are aimed to highlight what areas need progressing and to check that the Joint Liquidators are compliant with the Insolvency Act.

In addition, time has been spent preparing the statutory letters required to be issued along with the progress report to creditors.

The above work is not financially beneficial but is required in order for the Joint Liquidators to carry out their duties effectively.

Compliance with the Insolvency Act, Rules and best practice

The Joint Liquidators have incurred time preparing and circulating the annual report to the Company's creditors as well as filing the annual report and receipts and payments account with the Registrar.

Time has also been spent carrying out periodic bond reviews to ensure that the bond in place is adequate for the realisations achieved.

The Joint Liquidators have also incurred time carrying out general banking duties which include reconciling the estate account on a monthly basis and making payments out of the account where required.

Whilst this work is not financially beneficial it is required by the Insolvency Act and rules.

Investigations

The Joint Liquidators have incurred time reviewing the director's overdrawn loan account, the payments received, the agreed terms and how to proceed with realising monies in this respect.

Time has been spent liaising with the Company's former accountants in respect of the outstanding loan account and the missing repayments from the director.

This work is financially beneficial to creditors as it has resulted in realisations, although minimal.

Realisation of assets

Time has been spent writing to the director in respect of the arrears accrued on the repayment of the directors loan account.

This work is required in order to progress the Liquidation in anticipation of making recoveries into the estate.

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 incurred time preparing and submitting the post appointment VAT and Corporation Tax returns as and when they have fallen due.

There is no financial benefit but the work is of a statutory nature.

5. ESTIMATED OUTCOME FOR CREDITORS

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

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

Secured creditor

The Company had not granted any security over its assets as at the date of our appointment.

Preferential creditors

There are no known preferential claims.

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 liquidator 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

A liquidator will not be required to set aside the prescribed part of net property if:

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the liquidator 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)).

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

Unsecured creditors

Based on current information it is not anticipated that there will be sufficient realisations to enable a distribution to be made to the Company's unsecured creditors, due to the anticipated costs of the liquidation. However, this is dependant on the level of realisations achieved in respect of the director's loan account.

6. REMUNERATION & DISBURSEMENTS

Remuneration

Our remuneration has been fixed 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 estimates dated 12 April 2018 in the sum of £6,215.47 and 12 April 2019 in the further sum of £10,357.50 and we are authorised to draw disbursements for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, which is attached at Appendix 2 of this report.

Our original fees estimate was increased by £10,357.50 by the approval of creditors on 10 May 2019. This makes the total amount of our approved estimate £16,572.97.

Our time costs for the period from 15 February 2019 to 14 February 2020 amount to £6,131.50 which represents 26.6 hours at an average rate of £230.51 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 15 February 2019 to 14 February 2020
- ❑ Begbies Traynor (SY) LLP's charging policy

To 14 February 2020, we have drawn the total sum of £3,900.00 on account of our remuneration, against total time costs of £24,551.50 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, the Joint Liquidators have exceeded the limit of our increased fees estimate. For the avoidance of any doubt, the Joint Liquidators have not drawn any remuneration in excess of the level approved. The reasons why the increased estimates are likely to be exceeded are as follows:

- Due to the director not sticking to the agreed payment plan made in respect of the overdraw loan account the Liquidation is going to remain open for longer to facilitate the collection of this. As a result, time is going to be incurred carrying out the statutory duties during this period. This includes annual reports, periodic case reviews, bond reviews and a final report once finalised.
- The Joint Liquidators have been left with no alternative but to instruct solicitors to pursue the outstanding monies due in respect of the overdrawn loan account. This will result in time being spent providing them with the relevant background information required to pursue the sum, a discussion of strategies and general updates on progression.

In light of the above, the Joint Liquidators are obliged to provide creditors with details of the additional work that the Joint Liquidators propose to undertake along with details of the time and cost of that additional work. This information appears at Appendix 2. We do not anticipate that we will need to seek further approval following the proposed further increase to our estimate.

We are seeking creditors' approval of our further estimate by way of a Decision Procedure via correspondence and a Notice providing further information about the decisions being sought by correspondence together with a Voting Form have been provided separately.

Disbursements

To 14 February 2020, we have also drawn disbursements in the sum of £17.52

Why have subcontractors been used?

No subcontractors have been used during the period of this report.

Subsequent to the period of this report, Freeths LLP ("Freeths") have been instructed to act on our behalf and pursue the overdrawn loan account. They have been instructed based on their knowledge and experience.

Category 2 Disbursements

There has been no category 2 disbursements charged to the case since the last report.

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. 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 £5,484.60. Unfortunately, the Joint Liquidators consider that, in addition to those already incurred, the expenses which we are likely to incur to the conclusion of the case will exceed our original estimate. The reasons why the estimate is likely to be exceeded are as follows:

- The Liquidators is going to remain open for longer due to the director not sticking to the repayment plan of the overdrawn loan account. As a result further monthly bank charges will be applied to the account.
- As advised above, the Joint Liquidators have been left with no alternative but to instruct solicitors therefore costs will be incurred in this respect.

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

As detailed above, the director has failed to make the agreed repayments in respect of his overdrawn loan account. As a result the Joint Liquidators are left with no alternative but to instruct solicitors to pursue this matter.

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 reviews to ensure that deadlines are met and that the case is passed for closure when possible. The case will also require ongoing banking duties to be completed.

Effective case management and planning benefits the Company's creditors as it ensures that the Liquidation is 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, circulate it to the Company's members and creditors and file information with the Registrar of Companies.

The Joint Liquidators must also perform periodic reviews to ensure that the case is adequately bonded.

There is no financial benefit to the creditors, however, the work is required by the Insolvency Act and Rules.

Investigations

It is not anticipated that any further time will be recorded against this category.

Realisation of assets

The Joint Liquidators will incur time instructing solicitors to pursue the outstanding loan account and providing them with background information required for them to do this.

It is anticipated that this work will be financially beneficial to the creditors as we anticipate further recoveries can be made.

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

The Joint Liquidators will continue to answer any creditor queries as and when received.

Whilst this will not result in a better return to the Company's creditors, however the information provided will give the Company's creditors a greater understanding of the case.

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

Whilst the Company has been deregistered for VAT, the Joint Liquidators may be required to prepare and submit VAT returns as appropriate until the closure of the case.

This is not financially beneficial to the creditors but the work is required.

How much will this further work cost?

It is anticipated that further work will cost £14,725.90 in accordance with the fee estimate.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the revised estimate of anticipated expenses attached at Appendix 2.

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. The Joint Liquidators can confirm that they have discharged their duties in these respects.

Investigations carried out to date

The Joint Liquidators 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.

Connected party transactions

The Joint Liquidators 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.

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.

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.

A handwritten signature in black ink, appearing to read 'J L Hammond', written in a cursive style.

J L Hammond
Joint Liquidator

Dated: 8 April 2020

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 15 February 2019 to 14 February 2020

Edward Nicholson Contractors Limited (In Liquidation) Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 15/02/2019 To 14/02/2020 £	From 15/02/2016 To 14/02/2020 £
ASSET REALISATIONS		
Cash at Bank	NIL	488.25
Directors Contribution	1,000.00	9,250.00
	<u>1,000.00</u>	<u>9,748.25</u>
COST OF REALISATIONS		
Accountants Fees	NIL	3,600.00
Bank Charges	12.00	50.00
Disbursements		
Postage	NIL	12.03
Office Holders Fees	NIL	2,700.00
Specific Bond	NIL	35.00
Statement of Affairs Fee	NIL	1,500.00
Statutory Advertising	NIL	294.98
	<u>(12.00)</u>	<u>(8,191.99)</u>
UNSECURED CREDITORS		
(572.42) Arval UK Limited	NIL	NIL
(728.00) Brown McLeod Limited	NIL	NIL
(9,887.40) HM Revenue & Customs - Corporation	NIL	NIL
(8,972.00) HM Revenue & Customs - VAT	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
DISTRIBUTIONS		
(100.00) Share Capital	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
<u>(18,259.82)</u>	<u>988.00</u>	<u>1,554.26</u>
REPRESENTED BY		
Bank Balance		1,554.26
		<u>1,554.26</u>

TIME COSTS AND DISBURSEMENTS

- a. *Begbies Traynor (SY) LLP's charging policy;*
- b. Time Costs Analysis for the period from 15 February 2019 to 14 February 2020;
- c. Cumulative Time Costs Analysis for the period from 15 February 2016 to 14 February 2020;
- d. Fee estimate and;
- e. Revised estimate of expenses.

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. Best practice guidance² indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

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

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

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

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

Best practice guidance classifies expenses into two broad categories:

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

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

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 per meeting;
- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates;
- Postage will be charged at the actual rate incurred.

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

² Ibid 1

(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:

Grade of staff	Charge-out rate (£ per hour) 1 May 2011 – until further notice
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee	110
Administrator	
Support	60 - 110

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

Time is recorded in 6 minute units.

SIP9 Edward Nicholson Contractors L - Creditors Voluntary Liquidation - 91ED069.CVL : Time Costs Analysis From 15/02/2019 To 14/02/2020

[illegible]

SIP9 Edward Nicholson Contractors L - Creditors Voluntary Liquidation - 91ED069.CVL : Time Costs Analysis From 15/02/2016 To 14/02/2020

Other Grade	Case/Item/Particular	Director	Sen Insp	Insp	Asst Insp	Inv Admin	Admin	Asst Admin	Support	Total Hours	Total Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	3.0	1.8	0.2	2.0	0.3	0.6	4.4		12.2	3,008.50	250.66
	Administration	5.6	2.3	0.1	7.2	1.0	0.5	8.6	5.9	28.5	5,145.50	218.96
	Total for General Case Administration and Planning	8.6	4.2	0.3	9.2	1.3	0.9	5.1	11.9	35.7	8,154.00	369.62
	Appointment									1.1	341.00	110.00
Compliance with the Appointment, Rules and best practice	Sanctions and Bonding	0.2	2.3	0.7	0.1	0.3	7.4	0.8	21.8	27.8	4,095.50	148.66
	Case Closure						3.7			3.7	469.50	136.00
	Statutory reporting and statement of affairs	0.7	7.8			3.8		5.6	0.6	28.0	6,379.50	277.57
	Total for Compliance with the Insolvency Act, Rules and best practice	0.9	10.1	0.7	0.1	4.1	7.4	8.2	0.6	31.3	14,944.50	605.28
Investigations	COAs and investigations	5.0	2.2				0.2			7.4	2,911.20	395.38
	Total for Investigations	5.0	2.2				0.2			7.4	2,911.20	395.38
	Draft collection				0.5					0.5	126.00	250.00
	Total for Investigations				0.5					0.5	126.00	250.00
Realisation of assets	Property business and asset sales					0.3				0.3	52.50	175.00
	Retention of Third/Third party assets											
	Total for Realisation of assets					0.3				0.3	52.50	175.00
	Total for Realisation of assets					0.3				0.3	52.50	175.00
Funding	Trading											
	Total for Funding											
	Secured											
	Total for Funding											
Charging with all creditors claims (including employees) and distributions	Others					0.8			0.1	0.7	111.00	158.57
	Creditors committee											
	Total for Charging with all creditors claims (including employees, administrators and distributions)					0.8			0.1	0.7	111.00	158.57
	Total for Charging with all creditors claims (including employees, administrators and distributions)					0.8			0.1	0.7	111.00	158.57
Other matters which includes meeting decisions of creditors, distributions to creditors, administrators and travel	Meeting decisions of creditors	2.5										
	Meetings											
	Other					0.2				0.2	36.00	175.00
	Total for Other matters	2.5				0.2				0.2	36.00	175.00
Total hours by staff grade	Ten	1.2					7.4	0.1	0.8	9.5	790.00	222.86
	Liaison											
	Total for Other matters	2.7				0.2		5.7	0.8	9.4	1,080.00	385.76
	Total hours by staff grade	18.2	21.3	1.0	4.8	6.3		7.8	17.8	32.1	108.4	
Total fees cost by staff grade	1,300.00	7,800.00	275.00	941.00	1,112.00	1,808.00	2,446.00	3,400.00	3,400.00	24,261.00	238.40	
	Average hourly rate £	491.96	372.76	275.00	236.38	178.08	136.30	128.35	114.84			
	Total fees shown to date £										2,700.00	

THE LIQUIDATORS' ESTIMATE OF THE INCREASED FEES THAT THEY WILL INCUR

Further to the information set out in the report, the Liquidators anticipate that in addition to their previous fee estimates the following further fees will be incurred to conclusion of the liquidation. Please note that blended hourly rates have been used (as they were for the original estimate) which take account of the various levels of staff that are likely to undertake each area of work. These can be seen in the average hourly rate column. Details of the hourly rates that will be charged for each level of staff working on the case form part of this appendix.

Details of the work that the liquidators and their staff propose to undertake	Hours	Time cost £	Average hourly rate £
General case administration and planning	15	3,325.00	221.67
Compliance with the Insolvency Act, Rules and best practice	17	3,247.50	191.03
Investigations	0	0	0
Realisation of assets	15	3,248.40	216.56
Trading	-	-	-
Dealing with all creditors' claims (including employees), correspondence and distributions	7	1,492.50	213.21
Other matters which includes seeking decisions from creditors (via Deemed Consent Procedure or via Decision Procedures), tax, litigation, pensions and travel	15	3,412.50	227.50
Total hours	69		
Total time costs		14,725.90	
Overall average hourly rate £			213.42

The Liquidators anticipate that the following specific work which was not envisaged at the outset of the liquidation (and which is included in the estimate above) will be undertaken:

- Additional statutory work including annual reports, periodic reviews and a closure report.
- Liaising with Freeths in respect of the overdrawn loan account.

A more detailed explanation of the work that falls into the categories mentioned in the table above can be obtained from our website at <http://www.begbies-traynorgroup.com/work-details>.

Dated: 8 April 2020

EDWARD NICHOLSON CONTRACTORS LIMITED

**DETAILS OF THE REVISED EXPENSES THAT THE LIQUIDATORS CONSIDER WILL BE, OR ARE
LIKELY TO BE INCURRED**

No.	Type of expense	Description	Estimate £
1.	Advertisements	Of appointment, meetings, dividends etc.	380.00 + VAT
2.	Bond	An Insolvency Practitioner is required to have a bond in place to protect the estate from misappropriation of funds	60.00 + VAT
3.	Bank charges	An Insolvency Practitioner is required to operate a separate bank account in relation to the insolvent entity's estate	80.00
4.	Storage Records	Any sums paid to any third party that assists the Insolvency Practitioner with investigating the affairs of the insolvent entity	1,000.00 + VAT
5.	Postage	Of circulars to creditors and members in line with statute	35.00 + VAT
6.	Accountants Fees	Brown McLeod re assistance with collecting the directors overdrawn loan account	4,000.00 + VAT
7.	Legal Fees	Freeths are instructed to pursue the overdrawn loan account.	3,000.00 + VAT

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Postage	Royal Mail	5.49	5.49	0.00
Bank Charges	Svenska Handelsbanken AB (Publ)	12.00	12.00	0.00

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Statutory advertising	TMP (UK) Ltd	294.96
Bond	Willis Ltd	35.00
Bank Charges	Svenska Handelsbanken AB (Publ)	51.00
Accountants' Fees	Brown McLeod	3,600.00
Statutory advertising	TMP (UK) Ltd	294.96
Postage	Royal Mail	17.52