

AM23

Notice of move from administration to dissolution



Companies House

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

1 Company details

Company number 0 5 8 3 7 5 5 2

Company name in full Absols Limited

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

2 Court details

Court name In the High Court of Justice Business and Property Courts
of England and Wales Insolvency and Companies List

Court number C R 2 0 2 3 - 0 0 0 7 8 1

3 Administrator's name

Full forename(s) Gavin

Surname Savage

4 Administrator's address

Building name/number 2/3 Pavilion Buildings

Street

Post town Brighton

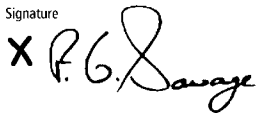
County/Region East Sussex

Postcode B N 1 1 E E

Country

AM23

Notice of move from administration to dissolution

5	Administrator's name ①	
Full forename(s)	John	① Other administrator Use this section to tell us about another administrator.
Surname	Walters	
6	Administrator's address ②	
Building name/number	2/3 Pavilion Buildings	② Other administrator Use this section to tell us about another administrator.
Street		
Post town	Brighton	
County/Region	East Sussex	
Postcode	B N 1 1 E E	
Country		
7	Final progress report	
<input checked="" type="checkbox"/> I have attached a copy of the final progress report		
8	Sign and date	
Administrator's signature	Signature 	
Signature date	d 2 2 m 0 2 y 2 0 y 2 4	

AM23

Notice of move from administration to dissolution



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 **Kamel Gordon**

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

Address **2/3 Pavilion Buildings**

Post town **Brighton**

County/Region **East Sussex**

Postcode **B N 1 1 E E**

Country

DX

Telephone **01273 322960**



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

Gavin Savage and John Walters appointed joint administrators on 24 February 2023

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.

Absols Limited (In Administration)

Final Progress Report of the joint administrators

Period: 24 August 2023 to 16 February 2024

Important Notice

This final 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.

Contents

- ❑ Interpretation
- ❑ Statutory information
- ❑ Details of appointment of administrators
- ❑ Progress during the period
- ❑ Outcome for creditors
- ❑ Administrators' proposals
- ❑ Summary of steps taken during the administration
- ❑ Pre-administration costs
- ❑ Remuneration and expenses
- ❑ Expenses
- ❑ Creditors' rights
- ❑ Assets that remain to be realised
- ❑ Other relevant information
- ❑ Conclusion
- ❑ Appendices
 - 1. Account of receipts and payments
 - 2. Summary of administrators' proposals, including major amendments to, and deviations from them
 - 3. Time costs and expenses
 - 4. Statement of expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Absols Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 24 February 2023
"the administrators", "we", "our", "us"	Gavin Savage of Begbies Traynor (Central) LLP, 2/3 Pavilion Buildings, Brighton, East Sussex, BN1 1EE and John Walters of Begbies Traynor (Central) LLP, 2/3 Pavilion Buildings, Brighton, East Sussex, BN1 1EE
"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 Act.

2. STATUTORY INFORMATION

Name of Company	Absols Limited
Trading name(s):	N/A
Date of Incorporation:	5 June 2006
Company registered number:	05837552
Company registered office:	Unit E3, Knight Road Knights Park, ROCHESTER, ME2 2LS

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of administrators:	Gavin Savage, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 2/3 Pavilion Buildings, Brighton, East Sussex, BN1 1EE and John Walters, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 2/3 Pavilion Buildings, Brighton, East Sussex, BN1 1EE
Date of appointment:	24 February 2023
Date of resignation:	N/A
Court:	In the High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List
Court Case Number:	CR2023-000781
Person(s) making appointment / application:	Donald Obinna Iro
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.
Type of Proceedings:	The proceedings will be COMI proceedings, proceedings as defined by the Insolvency (England and Wales) Rules 2016 (as amended)

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 24 August 2023 to 16 February 2024.

Sale of the business

As advised in our proposals dated 1 March 2023 and progress report, the Company's business and assets were sold as part of a pre-packaged sale to Soda IT Support (South) Limited, a subsidiary of Northern Telecom on 24 February 2023.

The sale consideration was £75,000 from Northern Telecom for the customer contracts, goodwill, IPR and the office furniture and business equipment of both the Company and Allteks Limited ("Allteks"), a subsidiary company.

The balance of the sales consideration of £75,000 was to be paid in three instalments as follows:

1. £30,000 on completion (£24,000 Allteks: £6,000 the Company);
2. £20,000 one month after completion and subject to reduction if customers accounting for more than 10% of the annuity income withdraw their custom. Therefore if 15% of customers move to alternative suppliers, the £20,000 will be reduced by 5% (£1,000) and the balance is then apportioned between Allteks and the Company (80:20); and
3. £25,000 payable on 24 August 2023 (£20,000 Allteks: £5,000 the Company).

It was therefore estimated that the Company would receive £11,000 from the sale plus an additional £4,000 if 90% of the customers transfer to the purchaser bringing a total of £15,000. As the transfer of customers wasn't quite 90%, the total received was £13,995.20.

Upon completion of the sale for the Company and Allteks on 24 February 2023 the sum of £30,000 was paid to Lester Aldridge, a firm of solicitors acting on our behalf. A sum of £14,976 was again paid to Lester Aldridge on 26 June 2023 which was subject to a reduction due to the decrease in customers transferring to Soda IT Support (South) Limited. As a consequence the Company did not receive the full £4,000 as detailed above.

The final balance was paid by Soda IT Support (South) Limited, no further contributions are due.

Receipts

Cash at Bank

Cash at bank in the sum of £774.48 has been received from Barclays Bank PLC during the period.

Bank Interest Gross

Bank interest of £15.43 has been received during the period.

Pre-appointment Sale of Business

We have received a payment of £13,995.20 from Lester Aldridge in respect of payments from the purchaser for the pre-appointment sale of business.

Payments

Corporation Tax

A sum of £2.66 has been paid to HMRC in respect of corporation Tax.

Joint Administrator's Pre-Appointment Fee

The Joint Administrators have drawn fees of £5,870.02 plus VAT in respect of their pre-appointment time costs, more details can be found at section 8 of this report.

Legal Fees (1)

Lester Aldridge LLP were paid £5,050 plus VAT in respect of their professional services.

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 3. 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 report contains details of the work undertaken since our appointment.

General case administration and planning

The following work undertaken in respect of general case administration and planning has mainly consisted of the following:

- Discussions between the case staff and the lead partner in respect of ongoing case strategy.
- Detailed case reviews.
- Filing.
- Ensuring that the IP Record is up to date.
- Reviewing the case file to ensure compliance.

Filing and case reviews are necessary to comply with the firm's ongoing review requirements and do not directly result in a financial benefit to creditors.

Compliance with the Insolvency Act, Rules and best practice

Compliance with the Insolvency Act, Rules and best practice has mainly consisted of the following:

- Preparing the interim progress report and sending those to the relevant parties.
- Bank reconciliations and general banking.
- Reviewing the level of bonding.

The Insolvency Act and Rules require IPs to produce progress reports, file information with the Registrar of Companies and ensure that the case is adequately bonded. We do not anticipate this work being a financial benefit to creditors.

Investigations

- Review of case matters and discussion, re payments and fees.

Realisation of assets

This has mainly consisted of the following:

- Review of various emails/documents regarding funds and payment matters
- Emails/calls re outstanding payments
- Review/process funds received.

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

This category of work includes general correspondence with creditors and dealing with creditors' claims. It also includes dealing with all aspects of the employment claims, which have been dealt with within the period of this report.

General creditor correspondence has been ongoing throughout the administration and is continuing as necessary.

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

This has mainly consisted of the following:

- Completing all relevant VAT & Tax matters and returns.
- Dealing with outstanding pension contributions and submitting claim to RPS pensions.

5. OUTCOME FOR CREDITORS

Secured creditors

Optimum SME Finance Limited hold a debenture containing fixed and floating charges over all the property or undertaking of the Company, which was created on 27 April 2021.

As at the date of our appointment Optimum SME Finance Limited were owed £11,533.00.

Preferential creditors

As a result of the sale of the business and assets and the employees of the Company transferring to the purchaser under the Transfer of Undertakings (Protection of Employment) Regulations 2006, there are no known preferential claims.

Secondary preferential creditors

Unfortunately, there were insufficient funds available to enable a dividend to be paid to HM Revenue & Customs as secondary preferential creditor.

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

Details of how the prescribed part is calculated have previously been provided in our statement of proposals and in previous progress reports.

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

There have been insufficient realisations to pay a dividend to unsecured creditors.

Exit from administration

Once the Notice of move from administration to dissolution (Form AM23) has been registered (which we anticipate shortly), our appointment as administrators will cease to have effect and, unless the court makes an order otherwise, the Company will be deemed to be dissolved at the end of the period of three months from the date of registration of the notice.

6. ADMINISTRATORS' PROPOSALS

Attached at Appendix 2 is a summary of our proposals as approved by decision of creditors via deemed consent procedure.

7. SUMMARY OF STEPS TAKEN DURING THE ADMINISTRATION

We consider that our main objective was already largely achieved on appointment due to the pre-packaged sale of the business which has reduced the quantum of creditors as follows:

The employees of the Company transferring to the purchaser under the Transfer of Undertakings (Protection of Employment) Regulations 2006, meaning there are no claims for pay in lieu of notice or redundancy pay, estimated at circa £15,000.

In order that the purpose of the administration may be fully achieved, we propose to remain in office as administrators in order to conclude the realisation of the Company's assets and to collect the deferred instalments for the sale of the business.

8. PRE-ADMINISTRATION COSTS

On 15 March 2023 the following amounts in respect of unpaid pre-administration costs were approved by the secured creditor in accordance with Rule 3.52 of the Rules:

Description	Name of recipient	Net amount (£)	VAT (£)	Gross amount (£)
Joint Administrators' pre appointment fees	Begbies Traynor	7,744.50	1,548.90	9,293.40
Legal costs	Lester Aldridge	5,950.00	1,190.00	7,140.00
Consultancy	Branta	5,000.00	1,000.00	6,000.00
TOTAL PRE-ADMINISTRATION COSTS		18,694.50	3,738.90	22,433.40

Branta Advisory have been paid in full in respect of these costs. Lester Aldridge have been paid £5,050 in respect of their pre-appointment costs against the total of £5,950 approved. We have drawn pre-appointment fees of £5,870.02 against the total of £7,744.50 that has been approved.

9. REMUNERATION & EXPENSES

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 dated 15 March 2023 in the sum of £15,000.

We are also authorised to draw expenses for services provided by our firm and/or entities within the Begbies Traynor group, 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.

Our time costs for the period from 24 August 2023 to 16 February 2024 amount to £13,148 which represents 38.50 hours at an average rate of £341.51 per hour.

The following further information in relation to our time costs and expenses is set out at Appendix 3:

- ❑ Time Costs Analysis for the period 24 August 2023 to 16 February 2024
- ❑ Begbies Traynor (Central) LLP's charging policy

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.

To 16 February 2024, we have drawn £267.04 plus VAT on account of our post-appointment remuneration, against total time costs of £32,004 incurred since the date of our appointment. In addition to the time costs information disclosed at Appendix 2 for the period since our last progress report, our previous progress report contained details of the time costs we had incurred as at the date of that report.

What was the anticipated payment for administering the case in full and did the joint administrators receive that payment?

We estimated that the cost of administering the case would be in the region of £15,000, and subsequently you provided approval for us to draw our remuneration up to that level.

Details of what remuneration has been drawn is detailed above. All additional costs incurred over and above what has been approved are to be written off.

However, please note that should there be additional or unexpected asset realisations, we will look to draw further remuneration from those too, capped at the level that the creditors have approved.

The costs that were incurred from the date of our appointment to 16 February 2024 amount to £32,004. Details of the costs incurred during the period of this report are stated above.

Category 1 Expenses

To 16 February 2024, we have drawn expenses of 83.51 plus VAT.

Category 2 Expenses

We have not drawn any category 2 expenses.

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2021' 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 our office and we will arrange to send you a copy.

10. EXPENSES

A statement of the expenses incurred by us during the period of this progress report is attached at Appendix 4. A cumulative statement of expenses also appears at Appendix 4 which details the expenses incurred since the date of our appointment.

11. 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 by us during the period of this progress report are excessive or, in relation to the basis fixed for our remuneration, inappropriate.

12. ASSETS THAT REMAIN TO BE REALISED

There are no assets of the Company that remain to be realised.

13. OTHER RELEVANT INFORMATION

Connected party transactions

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

Use of personal information

Please note that although the administration is being concluded, in discharging our remaining 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.

14. CONCLUSION

Finally, we seek the consent of the secured creditor to our discharge as administrators by a resolution passed pursuant to Paragraph 98 of Schedule B1 to the Act. We seek the date of our discharge to coincide with the date on which our appointment as administrators ceases to have effect.

A handwritten signature in black ink, appearing to read 'F. G. Savage'. The signature is fluid and cursive, with the first name 'F. G.' and the last name 'Savage' clearly distinguishable.

F G Savage
Joint Administrator

Date: 16 February 2024

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 24/08/2023 to 16/02/2024

Absols Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 24/08/2023 To 16/02/2024 £	From 24/02/2023 To 16/02/2024 £
	SECURED ASSETS		
1.00	Goodwill	NIL	NIL
1.00	Intellectual Property	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	SECURED CREDITORS		
(11,533.00)	Optimum SME Finance Limited	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	ASSET REALISATIONS		
	Bank Interest Gross	15.43	16.75
	Cash at Bank	774.48	2,370.36
14,998.00	Customer Contracts	NIL	NIL
	Pre-appointment Sale of Business	13,995.20	13,995.20
		<u>14,785.11</u>	<u>16,382.31</u>
	COST OF REALISATIONS		
	Agents/Valuers Fees (1)	NIL	5,000.00
	Corporation Tax	2.66	2.66
	Joint Administrators Pre-Appointment	5,870.02	5,870.02
	Administrators' Fees	267.04	267.04
	Legal Fees (1)	5,050.00	5,050.00
	Specific Bond	13.00	13.00
	Postage	70.51	70.51
	Statutory Advertising	NIL	109.08
		<u>(11,189.72)</u>	<u>(16,382.31)</u>
	SECONDARY PREFERENTIAL CREDITORS		
(38,431.00)	HMRC - VAT & PAYE	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(51,807.34)	Banks/Institutions	NIL	NIL
(80,800.60)	Trade Creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(2.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(167,573.94)</u>		<u>3,595.39</u>	<u>NIL</u>
	REPRESENTED BY		
	Barclays FL Current account NIB		NIL
			<u>NIL</u>

SUMMARY OF ADMINISTRATORS' PROPOSALS, INCLUDING MAJOR AMENDMENTS TO AND DEVIATIONS FROM THEM

Proposals approved by decision of creditors via a deemed consent procedure

Purpose of the Administration

We are required to set out our proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3 of this report above.

For the reasons set out in this report, we presently consider that objective (a) could not be achieved as a purchaser could not be found for the shares of the Company. Consequently, the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(b), namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

Dissolution

On present information we consider that the Company will have insufficient property to enable a distribution to be made to unsecured creditors. Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to deliver a notice of moving from administration to dissolution to the Registrar of Companies. Upon the registration of such notice our appointment as administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

Where an administrator sends such a notice of dissolution to the Registrar of Companies, he must also file a copy of the notice with the court and send a copy to each creditor of the Company, and on application by any interested party the court may suspend or disapply the automatic dissolution of the Company.

Contingency Plan – extending the administration

However, it may transpire that it is not possible to finalise the administration as envisaged within one year of the date of our appointment. In particular, this situation will arise if we are not able to conclude the Debt collection. The appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, our term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding twelve months. It may therefore become necessary at some future time for us to seek creditor consent to extending the period of the administration for up to a further twelve months following the anniversary of our appointment in order to ensure that the objective of the administration can be fully achieved.

Contingency Plan – unforeseen surplus funds

If it ultimately transpires that there are indeed surplus funds enabling a distribution to the unsecured creditors, then unless the court makes an order permitting such a distribution on our application, we will issue revised proposals for consideration by creditors dealing with the most appropriate exit strategy from the administration in those circumstances.

COSTS AND EXPENSES

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Costs Analysis for the period from 24 August 2023 to 16 February 2024
- c. Cumulative Time Costs Analysis for the period from 24 February 2023 to 16 February 2024.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This policy 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 creditors' decision being made for the office holder to be remunerated on a time cost basis. Best practice guidance* requires that such information should be disclosed to those who are responsible for approving the basis of an office holder's remuneration. Within our fee estimate creditors can see how we propose to be remunerated.

In addition, this policy 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 indicates that such charges should be disclosed to those who are responsible for approving the basis of 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 their 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 in 6 minute units 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

Expenses are payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements, which are expenses that are initially paid by the office holder's own firm, but which are subsequently reimbursed from the estate when funds are available.

Best practice guidance classifies expenses into two broad categories:

- ❑ Category 1 expenses (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 expenses (approval required) - Items of expenditure that are directly related to the case and either:
 - (i) 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; or
 - (ii) are items of expenditure which are payable to an associate of the office holder and/or their firm.

Shared or allocated costs (pursuant to (i) above)

The following expenses include an element of shared or allocated cost and 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 which is charged at the rate of 45 pence per mile

General Office Overheads.

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 expense:

- ☐ 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 Brighton office as at the date of this report are as follows:

Grade of staff	Charge-out rate range (£ per hour) 10 th July 2023 until further notice
Appointment taker/partner	560-640
Managers/directors	415-540
Other professional	215-300
Junior professional/support	170

Prior to 10th July 2023, the following rates applied:

Grade of staff	Charge-out rate (£ per hour)
Partner	545
Director	490
Senior Manager	435
Manager	380
Assistant Manager	275
Senior Administrator	240
Administrator	195
Junior Administrator	155
Cashier	155
Secretarial	155

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead. As detailed above, time is recorded in 6-minute units.

SIP9 Absols Limited - Administration - 02AB206.ADM : Time Costs
Analysis From 24/08/2023 To 16/02/2024

Staff Grade		Consultant/Partner	Mngr	Asst Mngr	Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	0.5	0.3				0.8	424.50	530.63
	Administration		3.2		6.3		9.5	2,682.50	282.37
	Total for General Case Administration and Planning:	0.5	3.5		6.3		10.3	3,107.00	301.65
Compliance with the Insolvency Act, Rules and best practice	Appointment								0.00
	Banking and Bonding	0.2	0.2		1.5	2.3	4.2	916.50	218.21
	Case Closure				3.6		3.6	774.00	215.00
	Statutory reporting and statement of affairs	0.5	3.5		0.2		4.2	1,795.50	427.50
	Total for Compliance with the Insolvency Act, Rules and best practice:	0.7	3.7		5.3	2.3	12.0	3,486.00	290.50
Investigations	CDDA and investigations		0.7				0.7	290.50	415.00
	Total for Investigations:		0.7				0.7	290.50	415.00
Realisation of assets	Debt collection		0.8				0.8	332.00	415.00
	Property, business and asset sales	3.0	5.4				8.4	4,041.00	481.07
	Retention of Title/Third party assets								0.00
	Total for Realisation of assets:	3.0	6.2				9.2	4,373.00	475.33
Trading	Trading								0.00
	Total for Trading:								0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured								0.00
	Others		0.3		0.5		0.8	232.00	290.00
	Creditors committee								0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:		0.3		0.5		0.8	232.00	290.00
Other matters which includes meetings, tax, litigation, pensions and travel	Seeking decisions of creditors								0.00
	Meetings								0.00
	Other		0.8		0.9		1.7	525.50	309.12
	Tax		1.5	0.2	2.1		3.8	1,134.00	298.42
	Litigation								0.00
	Total for Other matters:		2.3	0.2	3.0		5.5	1,659.50	301.73
	Total hours by staff grade:	4.2	16.7	0.2	15.1	2.3	38.5		
	Total time cost by staff grade £:	2,520.00	6,930.50	60.00	3,246.50	391.00		13,148.00	
	Average hourly rate £:	600.00	415.00	300.00	215.00	170.00			341.51
	Total fees drawn to date £:							0.00	

SIP9 Absols Limited - Administration - 02AB206.ADM : Time Costs
Analysis From 24/02/2023 To 16/02/2024

[illegible]

STATEMENT OF EXPENSES FOR THE PERIOD

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	Postworks	3.06	3.06	0.00
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
None				

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Postage	Postworks	70.51
Bonding	Insolvency Risk Services	13.00