

LIQ03

Notice of progress report in voluntary winding up



Companies House

TUESDAY



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27/04/2021

#67

COMPANIES HOUSE

1 Company details

Company number 0 6 0 6 0 8 8 2

Company name in full BB Design House Limited

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

2 Liquidator's name

Full forename(s) Julie

Surname Palmer

3 Liquidator's address

Building name/number Units 1-3 Hilltop Business Park

Street Devizes Road

Post town Salisbury

County/Region Wiltshire

Postcode S P 3 4 U F

Country

4 Liquidator's name ①

Full forename(s) Stephen

Surname Powell

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

5 Liquidator's address ②

Building name/number Threefield House

Street Threefield Lane

Post town Southampton

County/Region

Postcode S O 1 4 3 L P

Country

② Other liquidator
Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6 Period of progress report

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

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X 




X

Signature date	^d 2	^d 6	^m 0	^m 4	^y 2	^y 0	^y 2	^y 1
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LIQ03

Notice of progress report in voluntary winding up

 Presenter information	
You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.	
Contact name	Peter Simkin
Company name	Begbies Traynor (Central) LLP
Address	Units 1-3 Hilltop Business Park
	Devizes Road
Post town	Salisbury
County/Region	Wiltshire
Postcode	S P 3 4 U F
Country	
DX	salisbury@btguk.com
Telephone	01722 435190
 Checklist	
We may return forms completed incorrectly or with information missing.	
Please make sure you have remembered the following:	
<input type="checkbox"/> The company name and number match the information held on the public Register.	
<input type="checkbox"/> You have attached the required documents.	
<input type="checkbox"/> 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	



BB Design House Limited (In Creditors' Voluntary Liquidation)

Progress report

Period: 8 April 2020 to 7 April 2021

Important Notice

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

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	BB Design House Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators on 8 April 2019.
"the liquidators", "we", "our" and "us"	Julie Anne Palmer of Begbies Traynor (Central) LLP, Units 1-3 Hilltop Business Park, Devizes Road, Salisbury, Wiltshire, SP3 4UF and Stephen Mark Powell of Begbies Traynor (Central) LLP, Threefield House, Threefield Lane, Southampton, SO14 3LP
"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

Company registered number:	06060882
Company registered office:	Units 1-3 Hilltop Business Park, Devizes Road, Salisbury, SP3 4UF
Former trading address:	405 Kings Road, Chelsea, London, SW10 0BB

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	8 April 2019
Date of liquidators' appointment:	8 April 2019
Changes in liquidator (if any):	None

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 8 April 2020 to 7 April 2021.

Receipts

Sale of business and assets

As detailed in our previous report, the assets of the company, consisting of Goodwill & Contracts, Stock, motor vehicle and office furniture & equipment, were sold to a company controlled and operated by the director for a sum of £40,000 plus vat, following a valuation carried out by Eddisons Commercial Ltd. The purchase price was to be paid in monthly instalments and was apportioned as follows:

Goodwill & Contracts	£12,000
Stock	£20,000
Motor Vehicle	£7,500
Office furniture & equipment	£500
	<hr/>
	£40,000

Due to the impact of the Covid-19 pandemic and associated lockdowns, the purchaser has experienced trading difficulties leading to it falling into arrears with its monthly instalments, meaning no further payments have been received by the liquidators. The purchaser is currently making efforts to pay the remaining instalments due and some payments have been made to our agents, although these have not yet been accounted to us.

Bank Interest

The only other receipt during the period has been gross bank interest of £4.07.

Payments

Statement of Affairs Fee

The sum of £5,000.00 has been paid to Begbies Traynor in relation to the joint liquidators' pre-appointment and statement of affairs fee.

Liquidators Fees and Expenses

During the period, the sum of £11,500.00 has been paid to Begbies Traynor on account of the joint liquidators remuneration and £86.78 has been paid to us in respect of the joint liquidators' expenses. Further details of these payments is referred to below in section 6.

Distribution to charge holder

An amount of £10,500.00 was paid to Clydesdale Bank as a distribution in relation to their fixed charge over the goodwill sold to the purchaser of the company's business and assets. Further details are referred to in Section 5 below.

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 report contains details of the work undertaken since our appointment.

General case administration and planning

Time recorded under this category has included:

- Case Filing.
- Dealing with routine calls, correspondence and emails.
- Dealing with various ad hoc queries and calls/emails/correspondence with director in relation to various matters including payment for assets and Directors Loan Account
- Ad hoc correspondence with charge holder
- Maintaining physical case files and electronic records and updating checklists
- General cashiering
- Case planning, monitoring case strategy and case reviews.

The majority of the above work derived no financial benefit for creditors. However, as the Insolvency Profession is a highly regulated industry, we are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.

Compliance with the Insolvency Act, Rules and best practice

The time recorded under this category includes:

- Conducting bond reviews.
- Cashiering and maintaining the liquidators' bank account.
- Preparing all statutory reports and returns.
- Undertaking periodic reviews to ensure statutory compliance.

Insolvency Practitioners and their staff are required to comply with the provisions of the Insolvency Act and Rules, together with guidance for best practice. As above, the majority of this work derived no financial benefit for creditors but is required nonetheless in order to comply with our duties.

Investigations

During this period, no time has been recorded to this category as our investigations had been completed in the first year of the liquidation.

Realisation of assets

The time recorded under this category has largely related to the deferred payments for the sale of assets and the agreement of an overdrawn director's loan account and has included:

- Liaising with agents in relation to collection of deferred payments for assets and agreed payment holiday due to pandemic
- Corresponding with director regarding difficulties in making payment for assets, including various discussions and agreement to further deferring payments, as well as seeking regular updates
- Corresponding with the director in relation to the director's loan account, including further review information provided by director and amounts to be offset, agreeing balance due, discussing and

- agreeing repayment plan with director, subsequently discussing deferring payments due to pandemic, seeking regular updates from director on when can commence payments
- Regular review of position regarding recovery of aforementioned assets

This work is carried out with a view to achieving maximum realisations for the benefit of creditors and should result in a direct financial benefit to creditors in the event there is sufficient surplus funds to enable a distribution to creditors. This has led to a distribution being paid to the secured creditor,

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

Time recorded under this category included:

- Dealing with creditor correspondence, emails and telephone conversations.
- Maintaining up to date creditor information and amending claims.
- Corresponding with secured creditor in relation to fixed charge asset realisations
- Agreeing and paying distribution to secured creditor under fixed charge

Best practice means that we should respond to creditor queries in a timely manner. This work has resulted in a benefit to the secured creditor but will only have a financial benefit for unsecured creditors if there are sufficient funds from future realisations to allow a dividend to be paid to them.

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

Time recorded under this category included:

- Submitting the relevant VAT returns to HMRC and corresponding in relation to corporation tax matters.
- Dealing with ad hoc correspondence and queries relating to the administration of the case
- Seeking creditors approval to fee estimate and records of decisions of creditors.

This work has no direct financial benefit to creditors but is a requirement in order to progress the case and also to comply with our duties.

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

Clydesdale Bank Plc held a debenture over all of the assets of the company, incorporating fixed and floating charges and their indebtedness as at the date of liquidation was £70,541.11. A distribution has been paid to Clydesdale Bank from fixed charge realisations in the sum of £10,500.00. There may be a further distribution to Clydesdale Bank Plc under their floating charge, but this is dependant on the level of future realisations.

Clydesdale bank also hold a personal guarantee from the director and may seek recoveries in respect of this.

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)).

At present we are not able to estimate the Company's net property, as defined in Section 176A(6) of the Act, as this is dependent on future realisations and the costs of the liquidation. It is therefore not yet clear whether there will be a distribution available under the prescribed part provisions.

Unsecured creditors

We consider that there may possibly be sufficient funds for a small dividend to be paid to unsecured creditors, however the amount and timing remains unclear at present due to this being dependent on future realisations and the costs of the liquidation.

6. REMUNERATION & DISBURSEMENTS

Remuneration

Our remuneration has been fixed by a decision of the creditors on 30 June 2020 obtained via a Decision Procedure by way of correspondence by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the winding up as set out in the fees estimate dated 29 May 2020 in the sum of £26,582.00 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 time costs for the period from 8 April 2020 to 7 April 2021 amount to £8,521.50 which represents 25.1 hours at an average rate of £339.50 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 8 April 2020 to 7 April 2021
- ☐ Begbies Traynor (Central) LLP's charging policy

To 7 April 2021, we have drawn the total sum of £11,500.00 on account of our remuneration, against total time costs of £25,005.00 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 this is our first progress report since the basis of our remuneration was fixed, we are obliged to provide creditors with details of the costs incurred in the period since appointment and a description of the work undertaken for the period since our appointment.

The costs that were incurred from the date of our appointment to 8 April 2020 amount to £16,483.50. Details of the costs incurred during the period of this report are stated above.

The information provided in section 4 above relates to the work undertaken during the period of this report. We have set out below details of the work undertaken prior to the period covered by this report so as to avoid any repetition:

General case administration and planning

Time recorded under this category has included:

- Preparing documents and dealing with the formalities of our appointment.
- Filing.
- Dealing with general calls.
- Dealing with routine correspondence and emails.
- Dealing with various ad hoc queries and calls/emails/correspondence with director in relation to various matters including recovery of books & records and Directors Loan Account
- Recovery and scheduling of company records
- Corresponding with bank to obtain copy account statements
- Ad hoc correspondence with charge holder
- Maintaining physical case files and electronic records and updating checklists
- General cashing
- Case planning, devising a case strategy and case reviews.

The majority of the above work derived no financial benefit for creditors. However, as the Insolvency Profession is a highly regulated industry, we are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.

Compliance with the Insolvency Act, Rules and best practice

The time recorded under this category includes:

- Statutory advertising.
- Undertaking statutory notifications to Companies House and the creditors providing details of our appointment.
- Calculating the required bond and conducting bond reviews.
- Opening and maintaining the liquidators' bank account.
- Preparing all statutory reports and returns.
- Undertaking periodic reviews to ensure statutory compliance.

The majority of the above work derived no financial benefit for creditors. However, again as the Insolvency Profession is a highly regulated industry and we are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case. All of the work in the category is required under the Insolvency Act and Rules.

Investigations

The time recorded under this category included:

- Reviewing the Company's bank statements and listing all connected party transactions.
- Requesting the Company's physical books and records, reviewing accounting information available and reconciling with bank statements.
- Reviewing the financial statements in relation to possible unlawful dividends or outstanding loan accounts.
- Discussions with director regarding withdrawals from the company account and overdrawn Directors Loan account
- Reconciling the director's loan account position
- Reporting on the director's conduct to the Department of Business, Energy and Industrial Strategy and subsequent correspondence

We have a statutory duty to investigate the Company's affairs and report to the Department of Business, Energy and Industrial Strategy. The above work has identified possible wrongdoing on the part of the director resulting in an apparent overdrawn director's loan account and unlawful dividends that could be recovered. This may result in asset realisations becoming available and subject to the level of any successful recovery could possibly result in financial benefit to creditors.

Realisation of assets

The time recorded under this category has largely related to collecting the deferred payments for the sale of assets and the possible recovery of an overdrawn director's loan account and has included:

- Liaising with agents in relation to collection of deferred payments for assets
- Taking receipt of and accounting for payments received
- Reconciling the overdrawn directors loan account balance
- Corresponding with the director in relation to the director's loan account, reviewing information provided by director and amounts to be offset, further reconciliation of directors loan account balance and review of bank statements
- Liaising with the Trustee for the sequestration estate of the bankrupt and submitting a claim

This work is carried out with a view to achieving maximum realisations for the benefit of creditors and should result in a direct financial benefit to creditors in the event there is sufficient surplus funds to enable a distribution to creditors.

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

Time recorded under this category included:

- Dealing with creditor correspondence, emails and telephone conversations.
- Maintaining up to date creditor information and amending claims.
- Submitting return to Redundancy Payments Office in respect of directors' employee claims, including liaising with agents and Redundancy Payments Office

Best practice means that we should respond to creditor queries in a timely manner. This work will only have a financial benefit for creditors if there are sufficient funds from future realisations to allow a dividend to be paid to creditors.

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

Time recorded under this category included:

- Notifying HMRC of the liquidation.
- Submitting the relevant VAT returns to HMRC.
- Dealing with ad hoc correspondence and queries relating to the administration of the case
- Seeking creditors approval to fee estimate and records of decisions of creditors.

This work has no direct financial benefit to creditors but is a requirement in order to comply with our duties.

As can be seen from the information above, and the cumulative Time Costs Analysis, to the date of this report, our fees estimate had not been exceeded. However, since the date of this report, we have now slightly exceeded the limit of our fees estimate and there will be further time costs to be incurred before the conclusion of the liquidation.

The reasons why the estimate has been exceeded are as follows:

- Significantly more time incurred in dealing with the recovery of payments from the purchaser for the sale of assets and an extension to the deferred payments schedule as a result of the Covid-19 pandemic;
- Additional time incurred in dealing with the matter of the overdrawn Directors loan Account, agreeing the balance due with the director and negotiating repayment terms, together with the extended time that will be required to obtain the balance due as a result of a deferred payment plan being agreed; and
- Additional administrative and statutory work being incurred as a result of extending the period of the liquidation in order to recover the assets referred to above.

In light of the above, we are obliged to provide creditors with details of the additional work that we propose to undertake or has already been undertaken, 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 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 7 April 2021, we have also drawn disbursements in the sum of £86.78.

This relates to the following:

- Statutory bonding £80.00
- Storage (of company records) £6.78

Category 2 Disbursements/Disbursements treated as Category 2 disbursements

In accordance with the resolution obtained in relation to disbursements, the following disbursements which should be treated as Category 2 disbursements have been charged to the case since the date of our appointment.

Other amounts paid or payable to any party in which the office holder or his firm or any ass has an interest	
Type and purpose	Amount £
Eddisons Commercial Ltd, which is a member of the Begbies Traynor group, has provided valuation services and assistance with sale of assets. The purpose of obtaining such services was to ensure the correct sum was received in relation to the sale of the business and assets.	Valuation fee - £1,000.00 Commission on asset sale - £4,000.00 Disbursements - £16.20
TOTAL	£5,016.20

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2017' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact 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 £5,274.70. 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

Assets that remain to be realised

As mentioned above, there are two instalments remaining in relation to the deferred payments for the sale of assets to be collected. In addition, there is a balance owing on an overdrawn directors loan account, which the director has agreed to repay under a further deferred payment arrangement.

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

The work that remains to be carried out will include recovery of the above assets and our ongoing administrative and statutory tasks, as well as in the event sufficient surplus funds are available, making a distribution to unsecured creditors. This work will be as follows:

General case administration and planning

Work to be recorded under this category will include:

- Filing.
- Dealing with general calls.
- Dealing with routine correspondence and emails.
- Dealing with various ad hoc queries and calls/emails/correspondence with various parties
- Maintaining physical case files and electronic records.
- Monitoring case planning, updating case strategy and conducting case reviews.

The majority of the above work will derive no financial benefit for creditors. However, is required in view of the fact that the Insolvency Profession is a highly regulated industry and we are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.

Compliance with the Insolvency Act, Rules and best practice

Work to be recorded under this category includes:

- Conducting bond reviews.
- Maintaining the liquidators' bank account.
- Preparing all statutory reports and returns to creditors and Companies House
- Undertaking periodic reviews to ensure statutory compliance.

The majority of the above work derives no financial benefit for creditors, but again is required to comply with our obligations and statutory duties. All of the work in this category is required under the Insolvency Act and Rules.

Investigations

It is not anticipated that any further work will be carried out under this heading as all our investigations have been completed.

Realisation of assets

The work to be carried under this heading will primarily be in relation to recovering the final deferred payments in respect of the sale of assets as well as recovering deferred payments in respect of the overdrawn director's loan account, and may include:

- Liaising with agents in respect of deferred payments for assets, taking receipt of and accounting for proceeds
- Liaising with director in relation to recovery of the overdrawn Directors Loan Account by deferred payments
- Taking receipt and accounting for payments received
- Various ad hoc correspondence and calls in relation to the matter
- Updating and reviewing strategy regarding recovery prospects

Whilst all work under this heading is carried out for the purpose of maximising asset recovery, there will only be a direct financial benefit to creditors if there is a successful recovery sufficient to result in a surplus after costs to enable a distribution to creditors.

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

Work to be recorded under this category will include:

- Dealing with creditor correspondence, emails and telephone conversations.
- Maintaining up to date creditor information and amending claims.
- Agreeing and paying distribution to secured creditor in relation to fixed charge realisations

Only if there are surplus funds available to distribute to creditors the following further work may be carried out:

- Issuing notice of intended dividend to creditors
- Adjudicating and admitting creditors' claims
- Calculating and declaring a dividend to creditors, including issuing dividend payments to creditors.

Best practice means that we should respond to creditor queries in a timely manner. This work will have a financial benefit for creditors if in the event there are sufficient funds, a dividend is to be paid to creditors.

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

Work to be recorded under this category includes:

- Submitting the relevant CT and VAT returns to HMRC.
- Dealing with ad hoc correspondence and queries relating to the administration of the case
- Seeking creditors approval to fee estimate and records of decisions of creditors.

This work has no direct financial benefit to creditors but is a requirement in order to comply with our duties.

How much will this further work cost?

The cost of this work should be carried within the limit of our proposed increased fee estimate referred to later in this report.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the estimate of anticipated expenses sent to creditors on 29 May 2020 which included all of the expenses that we anticipate that we will incur throughout the liquidation.

9. OTHER RELEVANT INFORMATION

Investigations and reporting on director's conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Energy and Industrial Strategy. We can confirm that we have discharged our duties in these respects.

Connected party transactions

Details of the assets sold to a connected party were disclosed in our previous progress report.

Use of personal information

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

10. CREDITORS' RIGHTS

Right to request further information

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

Right to make an application to court

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

11. CONCLUSION

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



Julie Palmer
Joint Liquidator

Dated: 26 April 2021

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 8 April 2020 to 7 April 2021

Statement of Affairs		From 08/04/2020 To 07/04/2021	From 08/04/2019 To 07/04/2021
£		£	£
7,143.00	SECURED ASSETS		
	Goodwill	NIL	12,000.00
		NIL	12,000.00
	SECURED CREDITORS		
-69,981.27	Clydesdale Bank PLC	10,500.00	10,500.00
		-10,500.00	-10,500.00
	ASSET REALISATIONS		
20,000.00	Furnishing Stock	NIL	14,166.67
5,357.00	Motor Vehicles	NIL	7,500.00
357.00	Office Furniture & Computers	NIL	500.00
7,143.00	Work In Progress	NIL	NIL
Uncertain	Director's Loan Account	NIL	NIL
	Bank Interest Gross	4.07	7.48
		4.07	22,174.15
	COST OF REALISATIONS		
	Statement of Affairs Fee	5,000.00	5,000.00
	Liquidators' Fees	11,500.00	11,500.00
	Liquidators' Expenses	86.78	86.78
	Agents/Valuers Fees	NIL	5,000.00
	Agents/Valuers Expenses	NIL	16.20
	Statutory Advertising	NIL	158.50
		-16,586.78	-21,761.48
	UNSECURED CREDITORS		
-53,269.00	HMRC (non VAT)	NIL	NIL
-53,269.00	HMRC (VAT)	NIL	NIL
-38,915.26	Trade Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
-100.00	Ordinary Shareholders	NIL	NIL
		NIL	NIL
-175,534.53		-27,082.71	1,912.67
	REPRESENTED BY		
	Bank 1 Current		1,612.54
	Vat Receivable		300.13
			1,912.67

TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 8 April 2020 to 7 April 2021;
- c. Cumulative Time Costs Analysis for the period from 8 April 2019 to 7 April 2021; and
- d. Estimated increase to our approved fees estimate.

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.
- ☐ *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

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

- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates.

Expenses which should be treated as *Category 2 disbursements (approval required)* – in addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as *Category 2 disbursements*.

(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

Services provided by other entities within the Begbies Traynor group

The following items of expenditure which relate to services provided by an entity 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):

Eddisons Commercial Ltd may be instructed to provide further valuation services and to dispose of any future assets. They charge £750 plus disbursements plus VAT for completing the valuation report. They also charged 10% of realisations plus disbursements plus VAT for disposing the Company's assets.

It may also 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 for their various grades of staff which are currently as follows:

Grade of staff	Charge-out rate (£ per hour)
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¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

Instruction of Eddisons Insurance Services Limited to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The costs of insurance cover for quarter periods will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case. Eddisons Insurance Services Limited is not paid from the assets of the estate for the services it provides. In accordance with standard insurance industry practice, Eddisons Insurance Services Limited will receive payment of commission for the services it provides directly from the open cover insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

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 Salisbury 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

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 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 fees estimate dated 29 May 2020 in the sum of £26,582.00 the following further fees have either already been incurred or 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	27.5	7,637.50	277.73
Compliance with the Insolvency Act, Rules and best practice	17	4,750.00	279.41
Investigations	-	-	-
Realisation of assets	12.5	3,522.50	281.80
Trading	-	-	-
Dealing with all creditors' claims (including employees), correspondence and distributions	14	3,615.00	258.21
Other matters which includes seeking decisions from creditors (via Deemed Consent Procedure or via Decision Procedures), tax, litigation, pensions and travel	4	1,567.50	
Total hours	76		
Total time costs		21,092.50	
Overall average hourly rate £			277.53

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:

- Significantly more time incurred in dealing with the recovery of payments from the purchaser for the sale of assets and an extension to the deferred payments schedule as a result of the Covid-19 pandemic;
- Additional time incurred in dealing with the matter of the overdrawn Directors loan Account, agreeing the balance due with the director and negotiating repayment terms, together with the extended time that will be required to obtain the balance due as a result of a deferred payment plan being agreed; and
- Additional administrative and statutory work being incurred as a result of extending the period of the liquidation in order to recover the assets referred to above.

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: 26 April 2021

SIP9 Bb Design House Limited - Creditors Voluntary Liquidation - 25BB008 CVL : Time Costs Analysis From 08/04/2020 To 07/04/2021

Staff Grade		Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	2.4		1.4	1.0						4.8	2,086.00	434.58
	Administration			1.8	0.1			1.5			3.2	928.00	290.31
	Total for General Case Administration and Planning:	2.4		3.0	1.1			1.5			8.0	3,015.00	376.88
Compliance with the Insolvency Act, Rules and best practice	Appointment												0.00
	Banking and Bonding			0.1	0.1			0.3		3.4	3.9	602.50	154.49
	Case Closure												0.00
	Statutory reporting and statement of affairs				3.5						3.5	1,207.50	345.00
	Total for Compliance with the Insolvency Act, Rules and best practice:			0.1	3.8			0.3		3.4	7.4	1,810.00	244.59
Investigations	CDDA and investigations												0.00
	Total for investigations:												0.00
Realisation of assets	Debt collection			4.1	0.9						5.0	1,930.00	386.00
	Property, business and asset sales			0.6	0.1						0.7	271.50	387.86
	Retention of Title/Third party assets												0.00
	Total for Realisation of assets:			4.7	1.0						5.7	2,201.50	386.23
Trading	Trading												0.00
	Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured												0.00
	Others			1.8	0.1						1.7	666.50	392.08
	Creditors committee												0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:			1.8	0.1						1.7	666.50	392.08
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel	Seeking decisions of creditors			0.2	1.3						1.5	527.50	351.67
	Meetings												0.00
	Other												0.00
	Tax			0.5	0.3						0.8	301.00	376.25
	Litigation												0.00
	Total for Other matters:			0.7	1.8						2.3	828.50	360.22
	Total hours by staff grade:	2.4		16.1	7.4			1.8		3.4	25.1		
	Total time cost by staff grade:	1,198.00		3,889.50	2,553.00			315.00		478.00		8,521.50	
	Average hourly rate £:	495.00	0.00	395.00	345.00	0.00	0.00	175.00	0.00	140.00			339.50
	Total fees drawn to date £:											11,500.00	

SIP9 Bb Design House Limited - Creditors Voluntary Liquidation - 25BB008.CVL : Time Costs Analysis From 08/04/2019 To 07/04/2021

Staff Grade		Consultant/Partner	Director	Snr Mgr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Total Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	2.4		1.4	3.5		1.5	1.7	0.8		11.1	3,667.50	330.41
	Administration	0.8		1.8	3.8		2.5	14.0	12.9	0.2	35.8	7,185.50	200.71
	Total for General Case Administration and Planning	3.2		3.0	7.3		4.0	15.7	13.5	0.2	46.9	10,853.00	231.41
Compliance with the Insolvency Act, Rules and best practice	Appointment				0.3						0.3	103.50	345.00
	Banking and Bonding			0.1	0.1			0.8		7.5	8.6	1,281.50	149.01
	Case Closure												0.00
	Statutory reporting and statement of affairs				3.5		1.0				4.5	1,432.50	318.33
	Total for Compliance with the Insolvency Act, Rules and best practice:			0.1	3.9		1.0	0.8		7.5	13.4	2,817.50	210.28
Investigations	CGDA and Investigations				6.8		0.5		2.7		9.8	2,767.50	282.40
	Total for Investigations:				6.8		0.5		2.7		9.8	2,767.50	282.40
Realisation of assets	Debt collection			4.1	8.8						12.9	4,655.50	360.89
	Property, business and asset sales			0.6	1.4						2.0	720.00	360.00
	Retention of Title/Third party assets												0.00
	Total for Realisation of assets:			4.7	10.2						14.9	5,375.50	360.77
Trading	Trading												0.00
	Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured												0.00
	Others			1.8	1.0		1.5		3.3		7.4	1,776.50	240.07
	Creditors committee												0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:			1.8	1.0		1.5		3.3		7.4	1,776.50	240.07
	Seeking decisions of creditors			0.2	2.1						2.3	803.50	349.35
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel	Meetings												0.00
	Other												0.00
	Tax			0.5	1.2						1.7	611.50	358.71
	Litigation												0.00
	Total for Other matters:			0.7	3.3						4.0	1,415.00	353.75
	Total hours by staff grade:	3.2		10.1	32.3		7.0	18.8	18.5	7.7	98.4		
Total time cost by staff grade:		1,584.00		3,589.50	11,143.50		1,575.00	2,905.00	2,730.00	1,078.00		25,005.00	
Average hourly rate £:		495.00	0.00	355.00	345.00	0.00	225.00	175.00	140.00	140.00			259.39
Total fees drawn to date £:												11,500.00	

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Storage	Restore	6.30	3.15	3.15
Expenses incurred with entities within the Begbies Traynor Group (<i>for further details see Begbies Traynor Charging Policy</i>)				
-	-	-	-	-

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Statutory advertising	Courts Advertising	158.50
Statutory bonding	Marsh Ltd	80.00
Storage	Archive Solutions	1.20
Storage	Restore	9.36
Agents/Valuers Fees & Expenses	Eddisons Commercial Ltd	5,016.20