

Form 1 4

Rule 1.29/1.54

The Insolvency Act 1986

Notice to Registrar of
Companies of Completion or
Termination of Voluntary
Arrangement

**R.1.29/
R.1.54**

**Pursuant to Rule 1 29 or Rule
1 54 of the Insolvency Rules
1986**

For Official Use

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To the Registrar of Companies

Company Number

06439182

(a) Insert full name of

Name of Company

BG Systems Support Limited

(b) Insert full name and Address

4/We Andrew Timothy Clay
009164
11 Clifton Moor Business Village
James Nicolson Link
Clifton Moor
York

Rob Sadler
009172
11 Clifton Moor Business Village
James Nicolson Link
Clifton Moor
York

(c) Insert date

(d) Delete as applicable

The supervisors of a voluntary arrangement which took effect on (c) 3 January 2013,
enclose a copy of our notice to the creditors and members of the above-named company
that the voluntary arrangement has terminated (d), together with a report of our receipts
and payments

Signed



Date

30 7 14

Presenter's reference, name and
address (if any)

BG004CVA
Bebies Traynor (Central) LLP
11 Clifton Moor Business Village
James Nicolson Link
Clifton Moor
York

For Official Use

Liquidation Section

Post Room

SATURDAY



A20

A3DEU27F

02/08/2014

COMPANIES HOUSE

#102

SHEFFIELD COUNTY COURT
No 690 of 2012

Andrew Timothy Clay and Rob Sadler appointed joint supervisors
on 3 January 2013

**BG Systems Support Limited (Company
Voluntary Arrangement)**

Joint Supervisors' Final Report to Creditors pursuant
to Rule 1.29 of The Insolvency Rules 1986

Period: 03 January 2013 to 2 July 2014

Important Notice

This final report has been produced by the Supervisors solely to comply with their statutory duty to report to creditors and members on the progress to the conclusion of the Voluntary Arrangement. 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 or 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"	BG Systems Support Limited (Under a Voluntary Arrangement)
"the Supervisors" / "we/us/our"	Andrew Timothy Clay and Rob Sadler of Begbies Traynor (Central) LLP, 11 Clifton Moor Business Village, James Nicolson Link, Clifton Moor, York, YO30 4XG
"the Arrangement"	The terms of the Proposal, Standard Conditions and any modifications (and/or variations) agreed by the Company's creditors
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (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)

2. RELEVANT INFORMATION

Name of Company	BG Systems Support Limited
Trading name	BG Systems Support Limited
Date of Incorporation	28 November 2007
Company registered number	06439182
Company registered office	BG House, Campbell Way , Dinnington , Sheffield , S25 3QD
Commencement date of the Arrangement	3 January 2013
Duration of the Arrangement	18 months

3. INTRODUCTION

- 3 1 We are in a position to issue notice of termination of the Arrangement which confirms the conclusion of the Company's Voluntary Arrangement. Please find the relevant notice enclosed with this report.
- 3 2 Rule 1 29(2) of the Rules requires that on final completion or termination of the Arrangement, we are to send a report to the creditors and members of the Company who are bound by the Arrangement summarising all receipts and payments made by us in pursuance of the Arrangement. We are also required to explain any departure from the Proposal as it originally took effect or explain the reasons why the Arrangement has terminated.
- 3 3 The principal terms of the CVA stated that the Company, together with BG Controls Integrated Systems Limited and BG Controls Central Limited would cease to trade and, under the control of the directors, collect all sums outstanding in respect of contract debts, applications and retentions, plus overdrawn loan accounts from former directors. The surplus available after discharging the debt outstanding to the secured creditor, Natwest Bank plc, was to be made available to the unsecured creditors.
- 3 4 The duration of the CVA was to be 18 months which expired on 2 July 2014. The arrangement has not been varied or extended and has therefore terminated by way of its expiry. Further details are set out in Section 6 of our report.

4. FINAL REPORT

- 4 1 This is our final report. It gives an overview of the work undertaken over the entire course of the Arrangement.
- 4 2 This report should be read in conjunction with the Proposal and our Progress Report issued on 14 February 2014.

5. RECEIPTS AND PAYMENTS ACCOUNT

- 5 1 Please note that there have been no receipts and payments received. We would refer you to section 6 below.

6. REVIEW OF THE ARRANGEMENT AND THE COMPANY'S COMPLIANCE WITH THE TERMS APPROVED BY CREDITORS

- 6 1 The Company, together with BG Controls Integrated Systems Limited and BG Controls Central Limited was to continue trading until existing contracts were finished, following which the Company would cease to trade.
- 6 2 Following the cessation of trade the directors would collect all sums outstanding in respect of contract debts, applications and retentions, plus overdrawn loan accounts from former directors estimated in the sum of £140,000.
- 6 3 The receipts would be paid into the Company's overdrawn account until sufficient funds were collected to discharge the debt outstanding to the secured creditor, Natwest Bank plc ("the Bank").

- 6 4 The surplus after discharging the Bank's debt would be paid into the arrangement for the benefit of creditors
- 6 5 Following all existing contracts being finalised, the Company ceased to trade and the directors continued the debt collection process. Payments received were paid into the Company's overdrawn account reducing the Bank's liability. Unfortunately whilst the monies received during the period of the 18 months have significantly reduced the Bank's liability, they have been insufficient to discharge it in full and provide a surplus for the benefit of the creditors
- 6 6 In respect of the loan accounts owed by former directors, the directors have been unsuccessful in negotiating repayment or proposals for settlement. This matter has reached an impasse and the only way to potentially recover these loans is to instigate legal proceedings. The directors have advised that they do not have the funds to personally take this matter further as they have guaranteed the Bank, which currently stands at approximately £60k
- 6 7 The Company and its directors have stated that the Bank liability has continued to increase due to the rate of interest accruing
- 6 8 The Supervisors were also advised by HM Revenue & Customs ("HMRC") that the Company had failed to submit all of the outstanding pre CVA tax returns and that there are also outstanding returns in respect of post CVA periods. Their failure to submit these returns was a breach of the terms of the CVA
- 6 9 Following this notification the Supervisors advised the Company of this breach and that, in accordance with the terms of the Proposal, a Notice of Breach requiring the Company to rectify this within one month from receipt of the Notice, would be issued. Subsequently the Company submitted various returns to HMRC and ensured that the Company was de-registered for VAT following its cessation of trade
- 6 10 The Company sought to address outstanding issues with HMRC and whilst some were addressed, others still remain to be brought up to date
- 6 11 In light of the non compliance and the issues above, the Supervisors have been in regular contact with the Company and its directors and most recently held a meeting in order to agree a way forward
- 6 12 The Company and its directors confirmed that despite their best endeavours to collect in the contract debts, applications, retentions and overdrawn loan accounts, they have been unable to collect sufficient funds to settle the Bank's liability in full, thus having no surplus to pay into the CVA for the benefit of the creditors. The directors stated that they do not have the funds with which to instigate legal proceedings against debtors and the former directors of the Company. They also confirmed that they would not be able to successfully complete the CVA under its current terms whether it be extended or varied
- 6 13 Therefore, the Supervisors took the decision not to extend the duration of the CVA
- 6 14 The CVA therefore terminated by way of expiry on 2 July 2014. The Company no longer has the protection of a CVA and creditors may take any action that they consider appropriate

7. SUPERVISORS' REMUNERATION AND DISBURSEMENTS

- 7 1 Our remuneration was fixed by reference to the time properly given by us (as Supervisors) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor

(Central) LLP for attending to matters arising in the Arrangement and we are authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, details of which are attached at Appendix 1 of this report

- 7 2 Our time costs for the period from 3 January 2013 to 2 July 2014 amount to £6,067 which represents 25 hours at an average rate of £247 per hour. An analysis of time costs incurred in this period and prepared in accordance with Statement of Insolvency Practice 9 is attached at Appendix 1 showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type. It is intended that the Time Costs Analysis and the information contained in this report will provide sufficient information to enable the body responsible for the approval of our fees to consider the level of those fees in the context of the case.
- 7 3 The following further information in relation to our time costs and disbursements is set out at Appendices 1 and 2
- 7 3 1 Begbies Traynor (Central) LLP's policy for re-charging disbursements
- 7 3 2 Begbies Traynor (Central) LLP's charge-out rates
- 7 3 3 Table of time spent from 3 January 2013 to 2 July 2014

The Supervisors time costs will be written off in full

- 7 4 Details of the Category 1 and Category 2 disbursements that have been incurred since our appointment in the total sum of £297 plus VAT are provided below

Category 1 Disbursements

Type and purpose	Amount £
Specific Bond	165
TOTAL	165

Category 2 Disbursements


Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Travel and Subsistence	133
TOTAL	133

- 7 5 A copy of 'Voluntary Arrangements – A Creditors' Guide to Insolvency Practitioners' Fees (E&W) 2011' which provides guidance on creditors' rights 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.

8. VACATION OF OFFICE

Upon the termination of the CVA by way of expiry on 2 July 2014 the Supervisors ceased to act

A copy of this report has been sent to the Registrar of Companies and the Court

A handwritten signature in black ink, appearing to be 'Rob Sadler', is written over a horizontal line.

Rob Sadler
Joint Supervisor

Dated 30 July 2014

JOINT SUPERVISORS' TIME COSTS AND EXPENSES

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates, and
- c Table of time spent and charge-out value

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 and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. Best practice guidance² requires 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 usually 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 incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(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,
- In addition to the 2 categories referred to above, best practice guidance indicates that where payments are 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.

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

² *Ibid* 1

The following items of expenditure which relate to services provided by an entity within the Begbies Traynor Group are to be charged to the case (subject to approval)

Asset Appraisal and Disposal services are provided by B|TG Asset Consulting, a division of BTG Consulting LLP, which is part of Begbies Traynor Group plc. Due to the varied nature of the work carried out, asset Appraisal and Disposal costs are charged on one or more of the following basis. These costs are paid from asset realisations of the Company

- 1 Time costs of £125 per hour
- 2 10% of realisations in respect of asset sales
- 3 A fixed charge fee in respect of specialized advice

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

	Standard
	1 May 2011 –
	until further notice
	Regional
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	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.

Staff Grade	Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time cost £	Average hourly rate £
Administration and Planning		8.3		2.7			5.8			16.80	4,362.00	259.64
		0.4		1.1			1.1			2.60	578.00	222.31
							2.3			2.30	310.50	135.00
Investigations												
Realisation of assets		0.4								0.40	138.00	345.00
Trading												
Creditors												
				0.2			0.8			1.00	161.00	161.00
Other matters		1.5								1.50	517.50	345.00
Total hours by staff grade												24.6
Total time cost by staff grade £												6,067.00
Average hourly rate £												246.63
Total fees drawn to date £												0.00

SHEFFIELD COUNTY COURT
No. 690 of 2012

IN THE MATTER OF
BG SYSTEMS SUPPORT LIMITED
and
IN THE MATTER OF THE INSOLVENCY ACT AND RULES 1986

Notice to Creditors Pursuant to Rule 1 29(1) of The Insolvency Rules 1986

I hereby confirm that the above Company Voluntary Arrangement has terminated as of 2 July 2014

A handwritten signature in black ink, appearing to read 'Rob Sadler', followed by a long horizontal line extending to the right.

Rob Sadler
Joint Supervisor