

The Insolvency Act 1986

**Administrator's progress report**

Name of Company  
Alexander Maguire Limited

Company number  
06942174

In the  
High Court Chancery Division, Companies  
Court

[full name of court]

Court case number  
933 of 2011

(a) Insert full name(s) and  
address(es) of the  
administrator(s)

We (a) Antony Robert Fanshawe and Francis Gavin Savage, both of Begbies Traynor (Central) LLP 4  
Castle Way, Southampton, SO14 2BW

administrator(s) of the above company attach a progress report for the period

from


to

(b) Insert dates

(b) 27 April 2012

(b) 7 September 2012

Signed

  
Joint Administrator

Dated

7 September 2012

**Contact Details.**

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

Begbies Traynor (Central) LLP

41 Castle Way, Southampton, SO14 2BW

Tel Number 023 8023 3522

Fax Number 023 8023 3504

DX Number 55954

When you have completed and signed this form please send it to the Registrar of Companies at  
Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff



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COMPANIES HOUSE

TUESDAY

Antony Robert Fanshawe and Francis Gavin Savage were appointed joint administrators on 27 October 2011

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

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## **Alexander Maguire Limited (In Administration)**

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Progress report of the joint administrators pursuant to Rule 2.47 and 2.112 of The Insolvency Rules 1986

Period: 27 April 2012 to 7 September 2012

## **Important Notice**

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

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# 1 INTERPRETATION

| <u>Expression</u>                           | <u>Meaning</u>   |
|---|--|
| "the Company"                               | Alexander Maguire Limited (In Administration)  |
| "the administration"                        | The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 27 October 2011  |
| "the administrators", "we", "our", "us"     | Antony Robert Fanshawe of Begbies Traynor (Central) LLP, 41 Castle Way, Southampton, SO14 2BW<br>and<br>Francis Gavin Savage of Begbies Traynor (Central) LLP, 41 Castle Way, Southampton, SO14 2BW  |
| "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<br><br>(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   |

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## 2 STATUTORY INFORMATION

|                           |   |
|---------------------------|---|
| Name of Company           | Alexander Maguire Limited                                 |
| Trading name(s)           |   |
| Date of Incorporation     | 23 June 2009  |
| Company registered number | 06942174  |
| Company registered office | c/o Begbies Traynor, 41 Castle Way, Southampton, SO14 2BW |

## 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

|  |  |
|--|--|
| Names of the administrators                | Antony Robert Fanshawe, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 41 Castle Way Southampton, SO14 2BW<br>and<br>Francis Gavin Savage, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 41 Castle Way, Southampton, SO14 2BW               |
| Date of appointment                        | 27 October 2011  |
| Date of resignation                        | N/A  |
| Court                                      | High Court Chancery Division, Companies Court  |
| Court Case Number                          | 933 of 2011  |
| Person(s) making appointment / application | Pulse Cashflow Finance Limited   |
| 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. |
| EC Regulation on Insolvency Proceedings    | The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.  |
| Extensions of the administration period    | There have been no previous extensions to the administration period.   |

## 4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 27 April 2012 to 7 September 2012

## 5. ESTIMATED OUTCOME FOR CREDITORS

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

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**

Pulse has recovered its debt in full

### **Preferential creditors**

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

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

Details of how the prescribed part for unsecured creditors is calculated were provided in our statement of proposals

We have estimated, to the best of our knowledge and belief, the Company's net property, as defined in section 176A(6) of the Act, to be £nil and therefore the prescribed part of the Company's net property to be £nil. There will be no distribution under the prescribed part

### **Unsecured creditors**

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

## 6. THE ADMINISTRATORS' REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by reference to the time properly given by us (as administrators) 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 administration 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 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 27 April 2012 to 7 September 2012 amount to £[insert amount] which represents [insert] hours at an average rate of £[insert] per hour

The following further information in relation to our time costs and disbursements is set out at Appendix [2]

- ❑ Narrative summary of time costs incurred
- ❑ Table of time spent and charge-out value for the period 27 April 2012 to 7 September 2012
- ❑ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ❑ Begbies Traynor (Central) LLP's charge-out rates

To 7 September 2012, we have drawn the total sum of £[insert amount] plus disbursements of £[insert] on account]

[Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been drawn during the period of this report in accordance with the approval obtained in the total sum of £[insert] are provided in the narrative summary of time costs incurred which is at Appendix 2

## 7. ADMINISTRATORS' EXPENSES

A statement of the expenses incurred by us during the period of this progress report is attached at Appendix 3

## 8. ASSETS THAT REMAIN TO BE REALISED

### Book debts

At the date of this report, approximately £65,000 in book debts are still left to collect. We are still actively pursuing these debts but do not expect to conclude these collections within the remaining months before the Administration expires, hence the request for an extension of the administration

## 9 OTHER RELEVANT INFORMATION

### **Employment tribunal claims**

During the period we have received a large number of employment tribunal claims brought against the Company by various agency workers. These claims are being heard in various tribunals around the country. We have not given consent to these proceedings for the following reasons:

- The individuals bringing claims are not employees as defined by Section 230 of the Employment Rights Act 1996, but Agency Workers employed under a contract for service with the Company rather than a contract of employment
- As a consequence, any claim by agency workers against the Company will rank as an unsecured non-preferential claim against the Company, as agency workers do not satisfy the criteria to rank as a preferential creditor in the administration of the Company in accordance with Schedule 6 of the Insolvency Act 1986

Given that these claims will rank as unsecured non-preferential claim against the Company, that there is no prospect of a return to unsecured creditors and that the RPO will not accept claims from Agency Workers, there is no prospect of the applicants receiving any monetary return

### **Report on Directors conduct**

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

## 10. CREDITORS' RIGHTS

### **Right to request further information**

Pursuant to Rule 2.48A 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 the administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been detailed in this progress report.

### **Right to make an application to court**

Pursuant to Rule 2.109 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 the administrators as set out in this progress report are excessive or, in relation to the basis fixed for the administrators' remuneration, inappropriate.

## 11. CONCLUSION

Paragraph 76 of Schedule B1 to the Act provides that 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, the administrator's 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 six months.

In order to ensure that the objective of the administration is achieved and that we have fully discharged our duties as administrators, it is necessary to extend the period of the administration. Accordingly we seek creditors' consent to extend the period of the administration for 6 months following the anniversary of our appointment up to 26 April 2013.

A form enabling you to record your vote on the extension of the administration accompanies this report. In the event that creditors' consent to extend the period, we will give notice of the extension to creditors.

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



**A R Fauschawe**  
Joint Administrator

Dated, 7 September 2012



**Alexander Maguire Limited (In Administration)**  
**Joint Administrators' Abstract Of Receipts And Payments**  
**To 07 September 2012**

| <b>RECEIPTS</b>          | <b>Total (£)</b> |
|--------------------------|------------------|
| Book Debts               | 1,076 16         |
| WIP                      | 89,605 75        |
| Book Debt surplus        | 58,924 21        |
| VAT Refund               | 10,742 04        |
| Petty Cash               | 163 71           |
| Rates refund             | 3,108 49         |
| Funds held by Solicitors | 3,380 50         |
| Bank Interest Gross      | 14 62            |
| Vat Payable              | 41,495 34        |
|                          | <hr/>            |
|                          | 208,510 82       |
|                          | <hr/>            |
| <b>PAYMENTS</b>          |                  |
| Indirect Labour          | 12,954 07        |
| Pre appointment fees     | 16,329 50        |
| Pre appointment expenses | 10 15            |
| Office Holders Fees      | 19,333 67        |
| Office Holders Expenses  | 160 02           |
| Legal Fees               | 13 145 00        |
| Legal Disbursements      | 149 80           |
| Agency Workers wages     | 67,632 44        |
| Statutory Advertising    | 76 50            |
| Bank Charges             | 2,516 57         |
| Vat Receivable           | 31,263 67        |
| PAYE & NI                | 10,534 70        |
| Input VAT                | 9,773 42         |
|                          | <hr/>            |
|                          | 183,879 51       |
| Balances in Hand         | 24,631 31        |
|                          | <hr/>            |
|                          | 208,510 82       |
|                          | <hr/>            |

# TIME COSTS AND DISBURSEMENTS

## 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 guidance<sup>1</sup> 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 guidance<sup>2</sup> 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,
- 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,

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

<sup>2</sup> Ibid 1

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*

- o Telephone and facsimile
- o Printing and photocopying
- o 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 Southampton office as at the date of this report are as follows

|                       | <b>Standard<br/>1 May 2011 –<br/>until further notice<br/>Regional</b> |
|-----------------------|--|
| 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 for carrying out shorter tasks, such as typing or dealing with post is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in 6 minute units

[illegible]

[illegible]

| Hourly<br>Rate £ |
|------------------|
| 260 68           |
| 169 05           |
| 238 89           |
| 255 19           |
| 322 68           |
| 296 40           |
|                  |
| 210 28           |
| 305 77           |
| 233 40           |
|                  |
|                  |
| 182 96           |
| 240 38           |
| 332 32           |

|        |
|--------|
| 230 35 |
|--------|

## SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME                      Alexander Maguire Limited  
CASE TYPE                      ADMINISTRATION  
OFFICE HOLDERS                Antony Robert Fanshawe AND Francis Gavin Savage  
DATE OF APPOINTMENT        27 October 2011

### 1 CASE OVERVIEW

- 1.1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case
- 1.2 **Complexity of the case**  
I would refer you to the administrators proposals
- 1.3 **Exceptional responsibilities**  
None
- 1.4 **The office holders' effectiveness**  
I would refer you to the details contained within the body of the report
- 1.5 **Nature and value of property dealt with by the office holders'**  
I would refer you to the details contained within the body of the report. No further assets have been dealt with during the period of the administration
- 1.6 **Anticipated return to creditors**  
I would refer you to the details contained within the body of the report, which includes narrative detail
- 1.7 **Time costs analysis**  
An analysis of time costs incurred between 27 April 2011 and 7 September 2012 prepared in accordance with Statement of Insolvency Practice 9 is attached 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  
  
The time costs analysis provides details of work undertaken by the office holders and their staff following their appointment only
- 1.8 **The views of the creditors**  
All known creditors were sent notification of the appointment of the joint administrators on 1 November 2011, our statement of proposals on 15 December 2011 and our six month progress report on 6 May 2012. No specific matters have been brought to our attention to date
- 1.9 **Approval of fees**  
Please refer to the administrators' proposals
- 1.10 **Approval of Expenses and Disbursements**  
Please refer to the administrators' proposals

**1 11 Other professionals employed & their costs**

Messrs Asset Recovery & Insolvency were instructed to act as our valuers and agents. Their fees were agreed on the basis of their time costs incurred.

Messrs PDT Solicitors were instructed to act as our solicitors in dealing with the formalities of the appointment.

**1 12 Staffing and management**

Appropriately experienced staff has undertaken the various tasks arising in the administration to ensure that matters are properly dealt with.



# STATEMENT OF ADMINISTRATORS' EXPENSES

| Type of expense       | Name of party with whom expense incurred | Amount incurred<br>£ | Amount discharged<br>£ | Balance (to be discharged)<br>£ |
|-----------------------|--|----------------------|------------------------|---------------------------------|
| Legal Fees            | Clarke Wilmott                           | 495                  | (495)                  | NIL                             |
|                       | PDT Solicitors                           | 11,750               | (11,270)               | 480                             |
| Legal Disbursements   | PDT Solicitors                           | 149 80               | (149 80)               | NIL                             |
| Statutory Advertising | Courts Advertising                       | 76 50                | (76 50)                | NIL                             |