

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

THURSDAY



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12/09/2019

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COMPANIES HOUSE

|                      |                                       |  |
|----------------------|---------------------------------------|--|
| <b>1</b>             | <b>Company details</b>                |  |
| Company number       | 0 7 2 4 8 5 9 0                       | <b>→ Filling in this form</b><br>Please complete in typescript or in<br>bold black capitals. |
| Company name in full | 1st Choice Business Solutions Limited |  |
| <b>2</b>             | <b>Liquidator's name</b>              |  |
| Full forename(s)     | Wayne                                 |  |
| Surname              | Macpherson                            |  |
| <b>3</b>             | <b>Liquidator's address</b>           |  |
| Building name/number | The Old Exchange                      |  |
| Street               | 234 Southchurch Road                  |  |
| Post town            | Southend on Sea                       |  |
| County/Region        | Essex                                 |  |
| Postcode             | S S 1 2 E G                           |  |
| Country              |                                       |  |
| <b>4</b>             | <b>Liquidator's name ①</b>            |  |
| Full forename(s)     | Gary Paul                             | <b>① Other liquidator</b><br>Use this section to tell us about<br>another liquidator.        |
| Surname              | Shankland                             |  |
| <b>5</b>             | <b>Liquidator's address ②</b>         |  |
| Building name/number | 31st Floor                            | <b>② Other liquidator</b><br>Use this section to tell us about<br>another liquidator.        |
| Street               | 40 Bank Street                        |  |
| Post town            | London                                |  |
| County/Region        |                                       |  |
| Postcode             | E 1 4 5 N R                           |  |
| Country              |                                       |  |

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Notice of progress report in voluntary winding up

**6** Period of progress report

|           |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|-----------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| From date | d | 1 | d | 1 | m | 0 | m | 7 | y | 2 | y | 0 | y | 1 | y | 8 |
| To date   | d | 1 | d | 0 | m | 0 | m | 7 | y | 2 | y | 0 | y | 1 | y | 9 |

**7** Progress report

☒ The progress report is attached

**8** Sign and date

Liquidator's signature

Signature

X 

X

|                |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|----------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Signature date | d | 0 | d | 6 | m | 0 | m | 9 | y | 2 | y | 0 | y | 1 | y | 9 |
|----------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

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## 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 **Wayne Macpherson**

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

Address  
**The Old Exchange  
234 Southchurch Road**

Post town **Southend on Sea**

County/Region

Postcode **S S 1 2 E G**

Country

DX **southend@begbies-traynor.com**

Telephone **01702 467255**

**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

**All information on this form will appear on the public record.**

**Where to send**

**You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:**

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**



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## **1st Choice Business Solutions Limited (In Creditors' Voluntary Liquidation)**

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Progress report

Period: 11 July 2018 to 10 July 2019

### **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"                               | 1st Choice Business Solutions Limited (In Creditors' Voluntary Liquidation)  |
| "the liquidation"                           | The appointment of liquidators on 11 July 2018.  |
| "the liquidators", "we", "our" and "us"     | Wayne Macpherson of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG<br>and<br>Gary Paul Shankland of Begbies Traynor (London) LLP 31st Floor, 40 Bank Street, London, E14 5NR  |
| "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<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   |

# 2. COMPANY INFORMATION

|                            |   |
|----------------------------|---|
| Trading name(s):           | As above  |
| Company registered number: | 07248590  |
| Company registered office: | The Old Exchange, 234 Southchurch Road, Southend on Sea, Essex, SS1 2EG |
| Former trading address:    | 132 Kyverdale Road, London, S16 6PU                                     |

# 3. DETAILS OF APPOINTMENT OF LIQUIDATORS

|                                   |              |
|-----------------------------------|--------------|
| Date winding up commenced:        | 11 July 2018 |
| Date of liquidators' appointment: | 11 July 2018 |

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 11 July 2018 to 10 July 2019.

### **Receipts and Payments**

Attached at Appendix 1 is our account of receipts and payments from the commencement of the winding-up to the end of the first anniversary..

Our comments on items appearing in the account are as follows:

### **Goodwill**

The company's goodwill was sold to Smart Formations Ltd for the sum of £15,000 inclusive of VAT. This sum has been received in full. The company's former officer Mr Robert Morris is a director of Smart Formations Ltd. The offer received was in line with a valuation obtained from agents and was paid on a deferred consideration basis. The final payment was received on the 31<sup>st</sup> May 2019.

### **Commissions**

At the point of Liquidation commissions were due to the company with an estimated realisable value of £5,000. To date, commissions received total £2,902.08. Further commissions are not expected to be realised within the Liquidation.

### **Bank Interest**

£0.85 has been earned in gross interest on funds held within the Liquidation account.

### **Petition Costs**

Prior to the company placed into Voluntary Liquidation a winding up petition had been presented against the company. In order to proceed with the voluntary liquidation it was necessary to pay the associated costs to withdraw the winding up petition. The sum of £875 has been paid to HM Revenue & Customs in this regard.

### **Legal Costs**

The sum of £350 has been paid to BTMK Solicitors which represents the costs incurred in obtaining a dismissal of the petition.

**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.

#### General case administration and planning

- Update of case compliance checklists;
- Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and otherwise does not directly fall into other categories;
- General case updates;
- Ongoing maintenance of up to date information on the electronic case information;
- Periodic reviews of the case generally;
- Overseeing and controlling the work undertaken on this engagement by junior staff;
- Ensure time recording data is compliant with Statement of Insolvency Practice 9;

On this engagement, the work identified above does not hold direct commercial benefit to creditors. Creditors benefit from this work as it ensures this particular engagement is dealt with to the standards expected and also in a timely fashion. Elements of this work are required to comply with best practice and statute.

#### Compliance with the Insolvency Act, Rules and best practice

- Reviewing the adequacy of the specific penalty bond periodically;
- Ongoing consideration to ethical practice;
- Ongoing consideration to money laundering regulations;
- Updating case checklists and statutory diaries where necessary;
- Submission of forms to Companies House;
- Advertising appointment in the London Gazette

##### Banking:

- Maintaining and managing the insolvent estate bank account.
- Maintaining and managing the officer holders' cash book on this assignment.
- Undertaking regular bank reconciliations of the insolvent estate bank account.
- Complying with risk management procedures;
- Accounting for accruing interest on the cash book;
- Preparing and processing cheque requisition forms for the payment of post-appointment invoices
- Preparing and processing remittance advises for incoming funds;

On this engagement, the work identified above does not hold a direct commercial benefit to creditors, as on present information there will be no return to creditors

#### Investigations

- Obtain the company's bank statements and review of same
- Written to the company's former officers for company records.
- Conducted review of available letters.
- Submission of CDDA return on conduct of directors.
- Written to directors to complete directors questionnaires.
- Further disclosure of the extent to our investigations will not be made at this time as it may prejudice the outcome of our enquiries.

The work above may have a direct benefit to creditors if our investigations lead to further recoveries that allows for a return to creditors.

#### Realisation of assets



- Collection of deferred consideration in respect of the company's goodwill.
- Collection of commissions
- Accounting for ban interest.

The work above has realised funds for the estate, but of insufficient value to enable a return to creditors.

#### Trading

None

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

- Updating schedules unsecured creditor claims;
- Review of creditor claim supporting information and liaising with solicitors regarding the admission of respective claims;
- Taking and dealing with phone calls from creditors;
- Acknowledgment of creditor claims correspondence and/or dealing with further queries on claims;
- Receipt of, consideration of and response to creditor correspondence;
- Ongoing consideration of creditor's claims for whom provision has been made.

At present the work has not had any benefit to creditors as no dividend has been declared to creditors.

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

- Post appointment tax compliance – submission of corporation tax return(s).
- Post appointment VAT compliance – submission of VAT returns;
- Liaising with HMRC
- Payment of petition costs
- Establishing as to whether a pension exists

## 5. ESTIMATED OUTCOME FOR CREDITORS

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

#### **Secured creditor**

There are no secured creditors.

#### **Preferential creditors**

There are no preferential creditors

#### **Unsecured creditors**

Unsecured creditors were estimated at £407,999. To date 2 claims have been received totalling £403,149.

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:

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

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property;
- ☐ 20% of net property thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

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

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

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

#### **Unsecured creditors**

No dividend is available for unsecured creditors because the funds realised have already been distributed or used or allocated for defraying the expenses of the liquidation.

## **6. REMUNERATION & DISBURSEMENTS**

#### **Remuneration**

Our remuneration has been fixed by a decision of the creditors on 23 August 2018 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 in the sum of £19,413.50 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, which is attached at Appendix 2 of this report.

Our time costs for the period from to amount to £8,878 which represents 43.3 hours at an average rate of £205.53 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 to
- ☐ Begbies Traynor (Central) LLP's charging policy

To 10 July 2019, we have drawn the total sum of £7,500 on account of our remuneration, against total time costs of £8,878 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.

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 information provided in section 4 above relates to the work undertaken during the period of this report.

As can be seen from the information above, and the Time Costs Analysis, our fees estimate has not been exceeded. We are pleased to report that we do not anticipate that it is likely to be exceeded if matters progress to conclusion as envisaged.

### Work undertaken prior to appointment

In addition to the post appointment time costs detailed in the Time Costs Analysis, the costs relating to work undertaken prior to our appointment in assisting with the preparation of the statement of affairs and seeking the decisions of creditors on the nomination of liquidators were approved by creditors including disbursements. The sum of £5,000 was drawn in this regard and £62.37 in relation to disbursements

### Disbursements

To date, we have also drawn disbursements in the sum of £263.19. Of this sum £62.37 relates to disbursements

### Category 2 Disbursements

In accordance with the resolution obtained in relation to disbursements, the following Category 2 disbursements and 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 the office holder's firm |          |
|---|----------|
| Type and purpose  | Amount £ |
| Photocopying  | 9.60     |
| TOTAL   | 9.60     |

]

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](http://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.

Creditors will recall that our estimate of expenses was provided in our fee estimate distributed to creditors. This has not been exceeded.

## ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

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

### General case administration and planning

- Update of case compliance checklists;
- Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and otherwise does not directly fall into other categories;
- General case updates to include internal meetings on case strategy and effecting instruction;
- Ongoing maintenance of up to date information on the electronic case information;
- Periodic reviews of the case generally;
- Ensure time recording data is compliant with Statement of Insolvency Practice 9.

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. Creditors benefit from this work as it ensures this particular engagement is dealt with to the standards expected and also in a timely fashion. Elements of this work are required to comply with best practice and statute.

### Compliance with the Insolvency Act, Rules and best practice

- Reviewing the adequacy of the specific penalty bond periodically;
- Ongoing consideration to ethical practice;
- Ongoing consideration to money laundering regulations;
- Updating case checklists and statutory diaries where necessary;
- Submission of forms to Companies House;
- Preparation of annual reports
- Preparation and circulation of final report and the holding and convening of the final meetings.

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. It is the duty of the appointed office holder to comply with the Insolvency Act and Rules and creditors benefit from this being done to a standard expected of this firm.

### Investigations

- Further information will not be disclosed at this time so as to not prejudice any future claims that may arise out of further investigations.

### Realisation of assets

- Accounting for bank interest

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

- Receiving claims and admission on firm's internal systems
- Receiving calls from creditors
- Answering routine correspondence

- Admission of claims and subsequent dividends.

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

- Post appointment tax compliance – submission of corporation tax returns;
- Post appointment VAT compliance – submission of VAT returns;
- Obtaining tax clearance.

There is no direct financial benefit to creditors of this work on this assignment but it has been necessary in order to progress the insolvency process.

#### **How much will this further work cost?**

It is estimated that the remaining work will cost £3,000.

#### **Expenses**

Our expenses are expected to total a further £100.

## **8. OTHER RELEVANT INFORMATION**

#### **Investigations and reporting on directors 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.

#### **Investigations carried out to date**

We have undertaken an initial assessment of the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect.

#### **Connected party transactions**

As aforementioned, the company's goodwill was sold to Smart Formations Ltd. Disclosure of the transaction was made in our first report to creditors following the company being placed into Liquidation.

#### **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.

## **9. 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.

## **10. CONCLUSION**

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



**Wayne Macpherson**  
Joint Liquidator

Dated: 6 September 2019

# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 11 July 2018 to 10 July 2019

**1st Choice Business Solutions Limited**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**  
**To 10/07/2019**

| <b>S of A £</b>     |                             | <b>£</b>  | <b>£</b>        |
|---------------------|-----------------------------|-----------|-----------------|
|                     | <b>ASSET REALISATIONS</b>   |           |                 |
| 15,000.00           | Goodwill                    | 12,083.31 |                 |
| 5,000.00            | Commission Due to Company   | 2,902.08  |                 |
|                     | Bank Interest Gross         | 0.85      |                 |
|                     |                             |           | 14,986.24       |
|                     | <b>COST OF REALISATIONS</b> |           |                 |
|                     | Specific Bond               | 18.00     |                 |
|                     | Statement of Affairs Fee    | 5,000.00  |                 |
|                     | Liquidators' Fees           | 6,000.00  |                 |
|                     | Liquidators' Expenses       | 39.60     |                 |
|                     | Petition Costs              | 875.00    |                 |
|                     | Legal Fees (1)              | 350.00    |                 |
|                     | Stationery & Postage        | 36.39     |                 |
|                     | Statutory Advertising       | 169.20    |                 |
|                     |                             |           | (12,488.19)     |
|                     | <b>UNSECURED CREDITORS</b>  |           |                 |
| (14,196.55)         | Trade Creditors             | NIL       |                 |
| (2,369.20)          | HMRC (non VAT)              | NIL       |                 |
| (391,433.00)        | HM Revenue & Customs - VAT  | NIL       |                 |
|                     |                             |           | NIL             |
|                     | <b>DISTRIBUTIONS</b>        |           |                 |
| (1.00)              | Ordinary Shareholders       | NIL       |                 |
|                     |                             |           | NIL             |
| <b>(387,999.75)</b> |                             |           | <b>2,498.05</b> |
|                     | <b>REPRESENTED BY</b>       |           |                 |
|                     | Vat Receivable              |           | 800.00          |
|                     | Bank 1 Current              |           | 2,614.74        |
|                     | Vat Payable                 |           | (916.68)        |
|                     | Vat Control Account         |           | (0.01)          |
|                     |                             |           | <b>2,498.05</b> |

Wayne Macpherson  
Joint Liquidator



## TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 11 July 2018 to 10 July 2019 .

## **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. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance<sup>2</sup> 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.

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 (London £150) 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*).

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

#### ***Services provided by other entities within the Begbies Traynor group***

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

Instruction of Eddisons Commercial Limited to provide assistance with the sale of assets. Their charges will be based on a percentage of realisations plus disbursements.

Instruction of Eddisons Commercial Limited to provide a valuation of the Company's physical assets. Their charges will be based on a fixed fee to be agreed plus disbursements.

In addition to the services detailed above, it may 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) |
|----------------|------------------------------|
| 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 subsequent 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.

#### ***Services provided by an entity in which an Office Holder has an interest***

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 Southend-on-Sea as at the date of this report are as follows:

| Grade of staff        | Charge-out rate (£ per hour)  | Charge-out rate (£ per hour)         |
|-----------------------|-------------------------------|--------------------------------------|
|                       | 1 May 2011 – 30 November 2018 | 1 December 2018 until further notice |
| Partner               | 450                           | 645                                  |
| Director              | 395                           | 515                                  |
| Senior Manager        | 365                           | 440                                  |
| Manager               | 315                           | 410                                  |
| Assistant Manager     | 285                           | 315                                  |
| Senior Administrator  | 250                           | 290                                  |
| Administrator         | 185                           | 220                                  |
| Trainee Administrator | 160                           | n/a                                  |
| Junior Administrator  | n/a                           | 160                                  |
| Cashier               | 160                           | 160                                  |
| Secretarial           | 160                           | 160                                  |

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 office holder may use the services of BTG Contentious Insolvency Division during the course of the case. BTG Contentious Insolvency Division is a specialist department of the office holder's firm which provides forensic investigating services. The current charge-out rates applying to work carried out by BTG Contentious Insolvency Division are as follows:

| Grade of staff    | Charge-out rate (£ per hour) | Charge-out rate (£ per hour)      |
|-------------------|------------------------------|-----------------------------------|
|                   | 1 May 2011 – 30-Apr-16       | 1 May 2016 – until further notice |
| Director          | 395                          | 395                               |
| Senior Manager    | 365                          | 365                               |
| Assistant Manager | 270                          | 285                               |

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

<sup>2</sup> Ibid 1

| Staff Grade   | Consultant/Partner  | Director      | Sr Mngr     | Mngr          | Asst Mngr   | Sr Admin        | Admin       | Jnr Admin       | Support         | Total Hours | Time Cost £     | Average hourly rate £ |
|---|---|---------------|-------------|---------------|-------------|-----------------|-------------|-----------------|-----------------|-------------|-----------------|-----------------------|
| General Case Administration and Planning  | Case planning   |               |             |               |             | 1.6             |             |                 |                 | 1.6         | 376.00          | 235.00                |
|   | Administration  | 0.1           |             |               |             | 4.1             |             | 12.3            |                 | 16.5        | 2,371.00        | 180.06                |
|   | <b>Total for General Case Administration and Planning:</b>  | <b>0.1</b>    |             |               |             | <b>5.7</b>      |             | <b>12.3</b>     |                 | <b>18.1</b> | <b>3,347.00</b> | <b>184.82</b>         |
| Compliance with the Insolvency Act, Rules and best practice   | Appointment   |               |             | 0.7           |             |                 |             |                 |                 | 0.7         | 220.50          | 315.00                |
|   | Banking and Bonding   |               |             |               |             | 0.3             |             | 0.4             | 8.6             | 9.6         | 1,829.00        | 189.63                |
|   | Case Closure  |               |             |               |             |                 |             |                 |                 |             |                 | 0.00                  |
| Investigations  | Statutory reporting and statement of affairs  | 0.5           |             |               |             |                 |             |                 |                 | 0.5         | 197.50          | 395.00                |
|   | <b>Total for Compliance with the Insolvency Act, Rules and best practice:</b>                               | <b>0.5</b>    |             | <b>0.7</b>    |             | <b>0.3</b>      |             | <b>0.4</b>      | <b>8.6</b>      | <b>10.8</b> | <b>2,847.00</b> | <b>189.54</b>         |
|   | GDCA and investigations   | 0.8           |             |               |             | 9.9             |             |                 |                 | 10.7        | 2,642.50        | 246.96                |
| Realization of assets   | <b>Total for investigations:</b>  | <b>0.8</b>    |             |               |             | <b>9.9</b>      |             |                 |                 | <b>10.7</b> | <b>2,842.50</b> | <b>246.96</b>         |
|   | Debt collection   |               |             |               |             |                 |             |                 |                 |             |                 | 0.00                  |
|   | Property, business and asset sales  | 0.2           |             |               |             | 1.4             |             |                 |                 | 1.6         | 408.00          | 255.00                |
| Trading   | Retention of Third/Third party assets   |               |             |               |             |                 |             |                 |                 |             |                 | 0.00                  |
|   | <b>Total for Realisation of assets:</b>   | <b>0.2</b>    |             |               |             | <b>1.4</b>      |             |                 |                 | <b>1.6</b>  | <b>408.00</b>   | <b>255.00</b>         |
|   | Trading   |               |             |               |             |                 |             |                 |                 |             |                 | 0.00                  |
| Dealing with all creditors claims (including employees), correspondence and distributions                   | <b>Total for Trading:</b>   |               |             |               |             |                 |             |                 |                 |             |                 | <b>0.00</b>           |
|   | Secured   |               |             |               |             |                 |             |                 |                 |             |                 | 0.00                  |
|   | Others  |               |             |               |             |                 |             | 0.8             |                 | 0.8         | 128.00          | 160.00                |
| Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel | Creditors committee   |               |             |               |             |                 |             |                 |                 |             |                 | 0.00                  |
|   | <b>Total for Dealing with all creditors claims (including employees), correspondence and distributions:</b> |               |             |               |             |                 |             | <b>0.8</b>      |                 | <b>0.8</b>  | <b>128.00</b>   | <b>160.00</b>         |
|   | Seeking decisions of creditors  |               |             |               |             |                 |             |                 |                 |             |                 | 0.00                  |
|   | Meetings  |               |             |               |             |                 |             |                 |                 |             |                 | 0.00                  |
|   | Other   |               |             |               |             |                 |             |                 |                 |             |                 | 0.00                  |
|   | Tax   |               |             |               |             | 1.3             |             |                 |                 | 1.3         | 305.50          | 235.00                |
|   | Litigation  |               |             |               |             |                 |             |                 |                 |             |                 | 0.00                  |
|   | <b>Total for Other matters:</b>   |               |             |               |             | <b>1.3</b>      |             |                 |                 | <b>1.3</b>  | <b>305.50</b>   | <b>235.00</b>         |
|   | <b>Total hours by staff grade:</b>  | <b>1.6</b>    |             | <b>0.7</b>    |             | <b>18.8</b>     |             | <b>13.5</b>     | <b>8.6</b>      | <b>43.3</b> |                 |                       |
|   | <b>Total time cost by staff grade:</b>  | <b>632.00</b> |             | <b>220.50</b> |             | <b>4,371.00</b> |             | <b>2,160.00</b> | <b>1,378.00</b> |             | <b>8,971.00</b> |                       |
|   | <b>Average hourly rate £:</b>   | <b>395.00</b> | <b>0.00</b> | <b>315.00</b> | <b>0.00</b> | <b>235.00</b>   | <b>0.00</b> | <b>160.00</b>   | <b>160.00</b>   |             | <b>205.03</b>   |                       |
|   | <b>Total fees drawn to date £:</b>  |               |             |               |             |                 |             |                 |                 |             | <b>6,000.00</b> |                       |

## STATEMENT OF EXPENSES

| Type of expense   | Name of party with whom expense incurred | Amount incurred<br>£ | Amount discharged<br>£ | Balance (to be discharged)<br>£ |
|---|--|----------------------|------------------------|---------------------------------|
| Expenses incurred with entities <b>not</b> within the Begbies Traynor Group   |  |                      |                        |                                 |
| Specific Penalty Bond   | AUA Insolvency Risk Services             | 18.00                | 18.00                  | 0                               |
| Statutory Advertising   | London Gazette/Courts Advertising        | 169.20               | 169.20                 | 0                               |
| Expenses incurred with entities within the Begbies Traynor Group ( <i>for further details see Begbies Traynor Charging Policy</i> ) |  |                      |                        |                                 |
| Photocopying  | Begbies Traynor                          | 9.06                 | 9.06                   | 0                               |