

AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

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

1 Company details

Company number 1 1 2 0 5 0 9 2

Company name in full Wigan Property Holdings Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Court details

Court name Business and Property Courts in Manchester,
Insolvency & Companies List (ChD)

Court case number C R 2 0 2 0 M A N 0 0 0 6 8 0

3 Administrator's name

Full forename(s) Paul

Surname Stanley

4 Administrator's address

Building name/number 340 Deansgate

Street Manchester

Post town M3 4LY

County/Region

Postcode

Country

AM22

Notice of move from administration to creditors' voluntary liquidation

5	Administrator's name ①	
Full forename(s)	Dean	① Other administrator Use this section to tell us about another administrator.
Surname	Watson	

6	Administrator's address ②	
Building name/number	340 Deansgate	② Other administrator Use this section to tell us about another administrator.
Street	Manchester	
Post town	M3 4LY	
County/Region		
Postcode		
Country		

7	Appointor/applicant's name	
	Give the name of the person who made the appointment or the administration application.	
Full forename(s)	the directors of the	
Surname	Company	

8	Proposed liquidator's name	
Full forename(s)	Paul	
Surname	Stanley	
Insolvency practitioner number	0 0 8 1 2 3	

9	Proposed liquidator's address	
Building name/number	340	
Street	Deansgate	
Post town	Manchester	
County/Region		
Postcode	M 3 4 L Y	
Country		

AM22

Notice of move from administration to creditors' voluntary liquidation

10 Proposed liquidator's name^①

Full forename(s)	Dean
Surname	Watson
Insolvency practitioner number	0 0 9 6 6 1

① Other liquidator

Use this section to tell us about another liquidator.

11 Proposed liquidator's address^②

Building name/number	340
Street	Deansgate
Post town	Manchester
County/Region	
Postcode	M 3 4 L Y
Country	

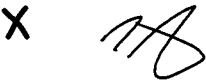
② Other liquidator

Use this section to tell us about another liquidator.

12 Period of progress report

From date	d 0 1	m 0 1	y 2 0 2 1
To date	d 2 8	m 0 5	y 2 0 2 1

13 Final progress report
☒ I have attached a copy of the final progress report.
14 Sign and date

Administrator's signature	Signature 	X	
Signature date	d 2 8	m 0 5	y 2 0 2 1

**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 **Alex Coffey**

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

Address **340 Deansgate**

Manchester

Post town **M3 4LY**

County/Region

Postcode

Country

DX

Telephone **0161 837 1700**

**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 and dated 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

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ❶
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

❶ You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)

Gerald Maurice

Surname

Krasner

3 Insolvency practitioner's address

Building name/number

4th Floor

Street

Cathedral Buildings

Post town

Dean Street

County/Region

Newcastle upon Tyne

Postcode

N E 1 1 P G

Country

Paul Stanley, Dean Watson and Gerald M Krasner appointed joint administrators on 1 July 2020

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.

Wigan Property Holdings Limited (In Administration)

Final Progress Report of the joint administrators

Period: 1 January 2021 to 28 May 2021

Important Notice

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

Contents

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

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Wigan Property Holdings Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 1 July 2020
"the administrators", "we", "our", "us"	Paul Stanley, Dean Watson and Gerald M Krasner of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act.

2. STATUTORY INFORMATION

Name of Company	Wigan Property Holdings Limited
Trading name(s):	Wigan Property Holdings
Date of Incorporation:	14 February 2018
Company registered number:	11205092
Company registered office:	c/o Begbies Traynor, 340 Deansgate, Manchester, M3 4LY

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of administrators:	Paul Stanley, Dean Watson and Gerald M Krasner, Licensed Insolvency Practitioners of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY
Date of appointment:	1 July 2020
Court:	Business and Property Courts in Manchester, Insolvency & Companies List (ChD)
Court Case Number:	CR-2020-MAN-000680
Person(s) making appointment / application:	the directors of the Company
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.
EU Regulation on Insolvency Proceedings:	Regulation (EU) No 2015/848 of the European Parliament and of the Council 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 extensions to the administration period.

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 1 January 2021 to 28 May 2021.

RECEIPTS

Freehold Land and Property

As outlined in our previous progress report, the property known as Sharpy's was sold for £600,000. During the period funds in relation to the sale were received.

Leasehold Property

As creditors may be aware, the sale of Wigan Athletic Football Club ("the Club") completed on 30 March 2021. As outlined in the Joint Administrators' Proposals, certain assets utilised by the Club were owned by the Company.

As part of the sale, the sum of £249,999 was allocated to the leasehold premises at Christopher Park Training Ground.

PAYMENTS

Administrators' Fees (Wigan Property Holdings)

Further details in relation to the Joint Administrators' Fees may be found in Section 8 below.

Administrators' Fees (Latics Realisations Limited, formerly known as Wigan Athletic A.F.C. Limited)

The Joint Administrators have been provided with an indemnity from Newworth Ventures Limited, the ultimate shareholder of the Group of Companies and the largest creditor of Wigan Property Holdings Limited.

Under the indemnity, the costs associated with the insolvencies of other Group entities are to be paid out of funds held that would ultimately be due to them.

As there will be sufficient funds to enable all other unsecured creditors of the Company to be paid in full (in the subsequent liquidation), the funds that would have been due to Newworth have been utilised to pay the outstanding fees of the administrators of Latics Realisations Limited.

During the period a total of £755,559 has been paid.

Agents Fees

During the period, £9,335 has been paid to our agent Eddisons (part of the Begbies Traynor Group) in relation to the sale of Sharpy's.

Legal Fees

A total of £60,000 has been paid to our solicitors, Walker Morris, for their assistance provided to the Group in relation to the sale of the various assets throughout the course of the administration.

Surplus to Liquidation

Surplus funds of £1,676,826 will be paid to the Joint Liquidators once their appointment has been confirmed.

This balance will be subject to any final interest and charges. Details of any interest and/or charges applied will be reported on by the Joint Liquidators.

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 3. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment. The details below relate to the work undertaken in the period of the report only. Our previous report contains details of the work undertaken since our appointment.

General case administration and planning

Insolvency practitioners 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.

Time charged to 'general case administration and planning' in the period of this report will include work of this nature, as well as:

- Sundry tasks such as photocopying and filing
- Extensive email communication between administrators, staff and the various parties involved in the administration
- Ongoing discussions in relation to the day to day running of the Football Club and Group companies with the retained employees and any other party
- Regular case reviews in line with our requirements
- All necessary issues relating to the handover of the Football Club and Group companies once the sale had completed

Compliance with the Insolvency Act, Rules and best practice

Insolvency practitioners are required to comply with the provisions of The Insolvency Act and The Insolvency Rules, together with best practice guidelines laid down within the profession. This includes the undertaking of periodic reviews of case progression, ensuring that a specific bond is in place at the correct value, and the issuing of periodic reports on the progress of the insolvency to creditors.

Time charged to this area during the period includes:

- Reviews of bonding level
- Preparation, review and submission of 6 monthly progress report to creditors
- Case reviews

Realisation of assets

During the period of this report time has been spent in relation to the sale of the freehold and leasehold properties owned by the Company, alongside the other assets owned by the Group.

Time has been spent liaising with the purchaser, our agent and our solicitors in relation to various matters regarding the sale.

As outlined above, the sale of the assets of the Group completed on 30 March 2021.

Trading

A nominal amount of time has been spent in relation to the day to day tasks involved with the running of the Club and associated companies.

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

A nominal amount of time has been spent in relation to the claims of creditors during the period of this report.

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

During the period time has been spent:

- Preparing and submitting the necessary pre-appointment VAT returns based on Company records provided
- Preparing and submitting the necessary post-appointment VAT returns
- Reviewing the position regarding Terminal Loss Relief

5. 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

There are no known secured creditors.

Preferential creditors

There are no known preferential claims.

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

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

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

Following the successful sale of the Company's assets, we are in a position to enable the general body of unsecured creditors (not including Newworth Ventures Limited ("NVL")) to be paid in full. As outlined above, we have an indemnity from NVL in relation to the costs of the various Group insolvencies, therefore funds that would ordinarily have been due to them have been made available to the Group in relation to costs.

It is intended that NVL will not take part in the 'first' dividend process in the subsequent liquidation, and that a dividend of 100p in the £ will be paid to the remaining creditors. Once all costs of the Group insolvencies have been paid, a dividend may become available to NVL. Further details of such will be reported by the Joint Liquidators.

Exit from administration

Once the Notice of move from administration to creditors' voluntary liquidation (Form AM22) has been registered at Companies House (which we anticipate shortly), our appointment as administrators will cease to have effect and the Company will be deemed to be subject to creditors' voluntary liquidation with Paul Stanley and Dean Watson of the former administrators acting in the capacity as joint liquidators of the Company.

6. ADMINISTRATORS' PROPOSALS

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

7. SUMMARY OF STEPS TAKEN DURING THE ADMINISTRATION

Full details of the steps taken by the Joint Administrators throughout the period of their appointment may be found in our previous progress report and in Section 4 above.

8. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by approval of the creditors on 16 September 2020 obtained via a decision procedure by reference to the time properly given by us and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters as set out in the fees estimate totalling £79,440, plus an increase of one third of time costs incurred.

We are also authorised to draw disbursements, including disbursements for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, details of which accompanied the Statement of proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report.

Our time costs for the period from 1 January 2021 to 21 May 2021 amount to £15,809.50 which represents 44.5 hours at an average rate of £355.27 per hour.

Our cumulative time costs for the period from 1 July 2020 to 21 May 2021 amount to £64,449.50 which represents 200.2 hours at an average rate of £321.93 per hour.

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

- ☐ Time Costs Analysis for the period 1 January 2021 to 21 May 2021
- ☐ Cumulative Time Costs Analysis for the period 1 July 2020 to 21 May 2021
- ☐ Begbies Traynor (Central) LLP's charging policy

To 21 May 2021, we have drawn the total sum of £3,456 on account of our remuneration, against total time costs of £64,449.50 incurred since the date of our appointment.

As can be seen from the information above, 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.

Creditors should note that additional time costs will be incurred between the drafting of the report and the appointment of the Joint Liquidators being confirmed at Companies House. Any costs paid by the Joint Liquidators in relation to the Former Joint Administrators' costs will be reported by the Joint Liquidators where necessary.

Disbursements

No disbursements have been drawn during the period. Any disbursements drawn in future relating to the period of the administration will be reported by the Joint Liquidators.

Category 2 Disbursements

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 £9,345 are set out below:

Disbursements treated as Category 2 disbursements

Other amounts paid or payable to any party in which the office holder or his firm associate has an interest	
Type and purpose	Amount £
Eddisons Commercial Limited ("EIS"), which is a member of the Begbies Traynor group, has provided valuation advice in relation to the various Group assets, and has negotiated a sale in respect of Sharpy's	£9,345
TOTAL	£9,345

Any further costs of Eddisons' associated with the administration period will be reported by the Joint Liquidators.

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2017' which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

9. EXPENSES

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

Creditors will recall that we estimated that the expenses of the administration would total £32,920.

As can be seen from the above, that estimate has been exceeded due to the additional legal fees incurred in relation to the sale of the business and assets of the Group. This has not however affected the dividend prospects of the general body of unsecured creditors (not including NVL).

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 (other than pre-administration costs) which have been incurred during the period of this progress report.

Right to make an application to court

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

11. ASSETS THAT REMAIN TO BE REALISED

There are no assets remaining to be realised.

12. OTHER RELEVANT INFORMATION

Report on Directors conduct

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

Investigations completed

As explained in our previous progress report, there are no matters that require additional investigation.

Connected party transactions

There are no connected party transactions to report.

Use of personal information

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

13. CONCLUSION

Finally, our appointment as liquidators will be confirmed when the relevant forms moving the Company from administration to liquidation are filed by Companies House.



Dean Watson
Joint Administrator



Paul Stanley
Joint Administrator



Gerald Krasner
Joint Administrator

Date: 28 May 2021

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 1 January 2021 to 28 May 2021

	From 01/01/2021 To 28/05/2021 £	From 01/07/2020 To 28/05/2021 £
ASSET REALISATIONS		
Cash at Bank	NIL	4,390.46
Freehold Land & Property	600,000.00	2,200,000.00
Furniture & Equipment	NIL	50,000.00
Leasehold Property	249,999.00	249,999.00
VAT Refund	NIL	893.34
	<u>849,999.00</u>	<u>2,505,282.80</u>
COST OF REALISATIONS		
Administrators Fees - WAFC Indemnity	755,559.00	755,559.00
Administrators' Fees - WPH	3,456.00	3,456.00
Agents Fees	9,344.50	9,344.50
Bank Charges	NIL	3.00
Legal Fees	58,700.00	60,000.00
Surplus to Liquidation	1,676,825.80	1,676,825.80
Statutory Advertising	NIL	94.50
	<u>(2,503,885.30)</u>	<u>(2,505,282.80)</u>
	<u><u>(1,653,886.30)</u></u>	<u><u>NIL</u></u>

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

Proposals approved by decision of creditors via a deemed consent procedure

Purpose of the Administration

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

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

It is not reasonably practicable to achieve objective 3(1)(a), namely rescuing the business as a going concern due to likelihood that any purchaser of the Football Club would want to purchase the Training Grounds from the Company.

The Joint Administrators propose to remain in office as administrators to deal with the following:

- To realise the assets (as part of a wider deal involving other Group assets if necessary)
- To make the Training Grounds available for the use of the Football Club
- To continue to manage the day to day running of the Company

In the event that sufficient funds are realised, we will take steps to verify creditor claims and to distribute funds accordingly.

Exit from Administration

Creditors' voluntary liquidation ("CVL")

We confirm that there are no secured creditors in this matter and that a distribution will be made to the unsecured creditors of the Company which is not a distribution of the prescribed part¹.

We have the power to make a distribution of the prescribed part to unsecured creditors in the administration but any other distribution to them requires the permission of court. It is

¹ Insolvency Act 1986, Sch B1, para 83(1)

considered that the court will only grant such permission in exceptional circumstances where the normal course for making distributions to unsecured creditors in a voluntary liquidation is inappropriate. Additionally, there may be matters for enquiry concerning a company's affairs which are not within the scope of an administrator's powers and which can only be properly dealt with by a liquidator.

Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to deliver a notice of moving from administration creditors' voluntary liquidation to the Registrar of Companies. Upon the registration of such notice our appointment as administrators shall cease to have effect and the Company will automatically be placed into liquidation. Paragraph 83(7) provides:

The liquidators for the purpose of the winding up shall be-

- (a) a person nominated by the creditors of the company in the prescribed manner and within the prescribed period, or
- (a) if no person is nominated under paragraph (a), the administrator.

We confirm that as part of our proposals we propose that we, or in the event of there being a subsequent change of persons appointed as administrator, the individuals in office as such immediately prior to the Company being placed into liquidation, do act as joint liquidators in the subsequent winding up of the Company. Creditors may nominate a different person as the proposed liquidator provided that the nomination is made after the receipt of the proposals and before the proposals are approved. The appointment of a person nominated as liquidator takes effect by the creditors' approval, with or without modification, of our proposals.

It is proposed that for the purpose of the winding up, any act required or authorised under any enactment to be done by the joint liquidators is to be done by all or any one or more of the persons for the time being holding office.

Extending the administration

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

TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 1 January 2021 to 21 May 2021 and;
- c. Cumulative Time Costs Analysis for the period from 1 July 2020 to 21 May 2021

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 guidance² 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 guidance³ 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):

- Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £100 (London £150) per meeting;
- Car mileage 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

² Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

³ Ibid 1

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.

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 prepare valuations of the Company's assets, provide general advice and assist with asset realisations.

Their charges 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

The estimated charges in relation to the above are as follows:

Eddisons Commercial Limited - £10,000-£20,000

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 as outlined above.

Instruction of Eddisons Insurance Services Limited ("EIS") 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.

EIS' estimated costs for assisting the Joint Administrators are £5,000-£10,000.

The specific costs of insurance cover will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case. Where relevant, administration fees may be charged. These costs are taken into consideration and included within the forecasted cost above.

In accordance with standard insurance industry practice, EIS will receive payment of commission for any services it provides from the 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.

EIS will invoice the insolvent estate for the premiums due on the insurer's behalf and receive payment from the estate. EIS will in turn, account to the insurer for the premiums payable after deducting any commission payable by the insurer.

Where EIS have initially been consulted on a policy, but the policy has not been taken out, EIS will charge an administration fee of £150.

(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

Additional payments received by Eddisons Commercial Limited from purchasers where assets are disposed of by way of auction

In addition to the charges of Eddisons Commercial Limited detailed above for providing the services to the office holder, where any machinery and business assets (other than freehold/leasehold property) are disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's premium, equivalent to 15% of the successful bid. Where any freehold/leasehold property is disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's administration fee, in the sum of £600. It is standard auction industry practice for a buyer's premium and buyer's administration fee to be charged. The buyer's premium and buyer's administration fee is paid by the purchaser of the assets and is not paid by the office holder from the assets of the estate.

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 Manchester and Newcastle 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

The above charge out rates are before the one third uplift agreed with the owner. In the event that an uplift of one third of our basic charge out rates is agreed by creditors, our 'uplifted' rates will be as follows:

Grade of staff	Charge-out rate (£ per hour) 1 December 2018 – until further notice
Partner	660
Director	593
Senior Manager	527
Manager	460
Assistant Manager	333
Senior Administrator	300
Administrator	233
Junior Administrator	187
Support	187

Our fees estimate below contains details of the estimate based on the basic charge out rates, and what the total approved estimate will be if the uplift of one third is approved

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.

SIP9 Wigan Property Holdings Limited - Administration - 10W1404.ADM : Time Costs Analysis From 01/01/2021 To 21/05/2021

[illegible]

STATEMENT OF EXPENSES FOR THE PERIOD

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Legal Fees	Walker Morris	£58,700	£58,700	Nil
Postage	Postworks	£1.01	Nil	£1.01
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
Mileage	Begbies Traynor (Central) LLP	£47.25	Nil	£47.25
Administrators Fees of Latics Realisations Limited	Joint Administrators of Latics Realisations Limited	£755,559	£755,559	Nil

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Legal Fees	Walker Morris	£60,000
Statutory Advertising	Courts Advertising	£94.50
Postage	Postworks	£1.01
Bond	Marsh Limited	£810
Bond	AUA Insolvency Risk Services	£481.50
Agents Fees	Eddisons Commercial Limited	£9,344.50
Mileage	Begbies Traynor (Central) LLP	£47.25
Administrators Fees of Latics Realisations Limited	Joint Administrators of Latics Realisations Limited	£755,559