

**Return of Final Meeting in a
Creditors' Voluntary Winding Up****Pursuant to Section 106 of the
Insolvency Act 1986**

To the Registrar of Companies

S.106

Company Number

OC335797

Name of Company

AEP Electrical & Mechanical LLP

I / We

Andrew David Haslam, 2nd Floor Waterloo House, Teesdale South, Thornaby-on-Tees, TS17 6SA

Gillian Sayburn, 2nd Floor, Waterloo House, Teesdale South, Thornaby-on-Tees, TS17 6SA

Note The copy account must be
authenticated by the written
signature(s) of the Liquidator(s)

1 give notice that a general meeting of the company was duly held on ~~summoned for~~ 12 May 2014 pursuant to section 106 of the Insolvency Act 1986, for the purpose of having an account (of which a copy is attached) laid before it showing how the winding up of the company has been disposed of, and that the same was done accordingly / no quorum was present at the meeting.

2 give notice that a meeting of the creditors of the company was duly held on ~~summoned for~~ 12 May 2014 pursuant to Section 106 of the Insolvency Act 1986, for the purpose of having the said account laid before it showing how the winding up the company has been conducted and the property of the company has been disposed of and that the same was done accordingly/no quorum was present at the meeting

The meeting was held at Begbies Traynor (Central) LLP, 2nd Floor, Waterloo House, Teesdale South, Thornaby-on-Tees, TS17 6SA

The winding up covers the period from 12 April 2012 (opening of winding up) to the final meeting (close of winding up)

The outcome of any meeting (including any resolutions passed) was as follows

"THAT the Joint Liquidators' final report and account of receipts and payments be approved"

Signed



Date 12 May 2014

Begbies Traynor (Central) LLP
2 Collingwood Street
Newcastle upon Tyne
NE1 1JF

Ref AE018CVL/ADH/GMS/IR/EVW/TA

WEDNESDAY



A29

A37V8CFV

14/05/2014

#176

COMPANIES HOUSE

AEP Electrical & Mechanical LLP (In Creditors' Voluntary Liquidation)

Final report and account of the Liquidation pursuant to
Section 106 of the Insolvency Act 1986 and Rule 4.126 of
the Insolvency Rules 1986

Period: 12 April 2013 to 12 May 2014

Contents

- 1 Interpretation
- 2 Partnership information
- 3 Details of the appointment of Liquidators
- 4 Progress since appointment
- 5 Outcome for creditors
- 6 Liquidators' remuneration and disbursements
- 7 Liquidators' expenses
- 8 Unrealisable assets
- 9 Other relevant information
- 10 Conclusion

Appendices

- 1 Liquidators' account of receipts and payments for the period 12 April 2013 to 12 May 2014
and for the whole period of the Liquidation from 12 April 2012 to 12 May 2014
- 2 Liquidators' time costs and disbursements
- 3 Statement of Liquidators' expenses

Important Notice

This report has been produced solely to comply with our statutory duty to report to creditors and members of the Partnership pursuant to Section 106 of the Insolvency Act 1986. This 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.

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Partnership"	AEP Electrical & Mechanical LLP (In Creditors' Voluntary Liquidation)
"the Liquidation"	The appointment of Joint Liquidators pursuant to Section 98 of the Insolvency Act 1986 on 12 April 2012
"the Liquidators", "we", "our" and "us"	Andrew David Haslam and Gillian Margaret Sayburn of Begbies Traynor (Central) LLP, 2nd Floor, Waterloo House, Teesdale South, Thornaby-on-Tees, TS17 6SA
"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 partnership, means a creditor of the Partnership who holds in respect of his debt a security over property of the Partnership, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and 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 Partnership whose claim is preferential within Sections 386, 387 and Schedule 6 of the Act

2. PARTNERSHIP INFORMATION

Trading name	n/a
Partnership registered number	OC335797
Partnership registered office	Begbies Traynor (Central) LLP, 2nd Floor Waterloo House, Thornaby-on-Tees, TS17 6SA
Former trading address	Unit B8 Arlon Court, Green Square, Kirkleatham Business Park, Redcar, TS10 5RS

3. DETAILS OF THE APPOINTMENT OF THE LIQUIDATORS

Date winding up commenced	12 April 2012
Date of Liquidators' appointment	12 April 2012
Changes in Liquidator	n/a

4. PROGRESS SINCE APPOINTMENT

This is our final report and account of the Liquidation and should be read in conjunction with the Section 98 report made available to creditors on 12 April 2012 and the Liquidators' progress report dated 7 June 2013

During this period, the Liquidators have spent time dealing with the necessary requirements to bring the Liquidation to an end including finalising the position in respect of the book debts

Attached at Appendix 1 is our abstract of receipts and payments for the period from 12 April 2013 to 6 March 2014, which covers the period since our last report. You will note that the only realisations made for this period is Bank interest gross of £6 34

The receipts and payments account also details total realisations for the whole period of the Liquidation

RECEIPTS

Sale of Business Assets – Motor Vehicles, Office equipment & Stock

The sale of business assets represents the sale of a motor vehicle, office equipment and stock. Creditors will recall from the Member's estimated Statement of Affairs prepared as at 12 April 2012 that the total estimated to realise value of these assets was £8,680 00. These assets were subject to walking possession following a distraint notice and therefore effectively charged to HM Revenue and Customs ("HMRC")

In accordance with advice taken from our agent Charterfields Limited ("CL") the Liquidators agreed a sale of these assets for £7,780 00 plus VAT. The disparity from the estimated realisable figure to that realised is as a result of limited interest in the motor vehicle.

Creditors should also note that a payment was made to HMRC from these proceeds to release the assets from the distraint notice. Further details of which are contained within the payments section below.

Book Debts

The Members' Statement of Affairs showed the outstanding sales ledger with a book value of £109,082 00 which after allowing a provision for bad/doubtful debts was reduced to an estimated to realise value of £89,082 00. Prior to appointment £31,510 00 of these book debts were received into the Partnerships bank account. The Bank retained these funds under its security (details in Section 5)

Total realisations received by the Liquidator are £42,366 01. There will be no further realisations.

Cash in Hand

The sum of £42 00 was collected and represents petty cash

Bank Interest Gross

Total interest of £15 17 has accrued on the deposits held by the Liquidators. This includes the sum of £6 34 which has accrued over the reported period. Bank interest is usually subject to Corporation Tax however, due to an understanding/working arrangement reached with HMRC there will be no Corporation Tax liability.

PAYMENTS**Insolvency Practitioners' Bond**

As a requirement of the Liquidation, insurance broker, Marsh Limited were engaged to provide the Insolvency Practitioners' bond. Costs of £120 00 have been incurred and discharged in this respect.

Statement of Affairs Fee

A fee of £7,500 00 plus VAT payable to Begbies Traynor (Central) LLP for assisting in the preparation of the Statement of Affairs and convening the relevant meetings to place the Partnership into Liquidation has been discharged. This fee was agreed at the meeting of creditors held on 12 April 2012.

Accountant's Fees

The Partnership's former chartered accountants, Anderson Barrowcliff LLP were instructed to finalise the accounts in order to assist with the preparation of the estimated Statement of Affairs and finalise tax matters. The sum of £500 00 plus VAT has been paid for these services.

Book Debt Refund

The sum of £102 00 has been collected and subsequently refunded in respect of a book debt collected, which was not due to the Partnership.

HMRC Dstraint

In order to allow the sale of the Partnership's business assets, the Liquidators were required to undertake to pay HMRC the value of their dstraint notice claim. The value of this notice was £3,765 00 which was subsequently paid out of the asset realisations.

Agents/Valuers Fees

CL was instructed to value and dispose of the Partnership's assets and the sum of £2,880 38 has been discharged.

Begbies Traynor (Central) LLP Mileage

The sum of £99 00 has been incurred and discharged in relation to Begbies Traynor (Central) LLP staff mileage. This is a Category 2 disbursement.

Redirection of Mail

The sum of £60 00 has been incurred and discharged for redirecting the Partnership's mail to the Liquidators' offices for a period of 6 months.

Statutory Advertising – Courts Advertising Limited

£390 60 has been incurred and discharged in relation to advertising the meeting of creditors, the appointment of the Liquidators and the final meeting of creditors. These advertisements are a statutory requirement.

Storage and Destruction

The statutory records of the Liquidation will be stored for a period of 7 years and then destroyed by DataSafe Storage.

Costs of £38 41 incurred and discharged in this respect.

5. OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Partnership's creditors were provided in the estimated Statement of Affairs prepared by members included within the report sent to creditors further to our appointment as Liquidators

Secured creditor

The Partnership had one secured creditor, HSBC Bank Plc who took a debenture as security against the overdraft provided to the Partnership

This debenture was created on 2 December 2008 and registered on 4 December 2008 and incorporates fixed and floating charges over the Partnership's assets and undertaking

At the date of appointment there was nothing owed to HSBC Bank Plc. Their overdraft had been reduced due to the receipt of book debt monies in the period prior to Liquidation as detailed in Section 4

Preferential creditors

Preferential claims are usually claims from employees or the Department for Business, Innovation and Skills ("DBIS") for arrears of wages up to £800.00 per employee and holiday pay

Preferential claims of pay and holiday pay as at our appointment were estimated at £12,575.28. We have received claims totalling £11,341.05 in respect of preferential creditors from the DBIS. There were no outstanding claims from individual employees

A first and final dividend of 50p in the £ was distributed to preferential creditor, DBIS on 5 March 2014 which totalled £5,670.53

Prescribed part of net property

Section 176A of the Insolvency Act 1986 provides that unsecured creditors are entitled to a dividend out of the prescribed part of the Partnership's "net property". Net property is the amount that would otherwise be payable to the floating charge holder (if the floating charge was created on or after 15 September 2003)

As there is no floating charge debt, the application of the prescribed part does not apply

Unsecured non preferential creditors

As at our appointment, the Partnership had circa 115 creditors with total claims estimated at £338,138.67

No dividend is available for unsecured creditors as the funds realised have already been distributed or used or allocated for defraying the expenses of the Liquidation. Consequently, we have not taken steps to formally agree the claims of unsecured creditors

6. LIQUIDATORS' REMUNERATION AND DISBURSEMENTS

Our remuneration has been fixed by a resolution of creditors at the meeting held pursuant to Section 98 of the Act 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 Liquidation

We are also 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 Affairs and other information presented to the meeting of creditors convened pursuant to Section 98 of the Act and which is attached at Appendix 2 of this report

Our post appointment time costs for the period from 12 April 2013 to 12 May 2014 amount to £19,190 50 which represents 173 36 hours at an average rate of 173 36 per hour. During this period we have drawn the total sum of £14,077 26 on account of our total outstanding time costs

Our post appointment time costs for the whole period of the Liquidation from 12 April 2012 to 12 May 2014 amount to £47,612 50 which represents 299 7 hours at an average rate of £158 87 per hour. We have incurred a further £6,521 50 in concluding the administration of the Liquidation

We have drawn total remuneration of £29,077 26. This leaves unbilled time costs of £18,535 24 which, will be written off as irrecoverable

Category 2 disbursements of £99 00 in relation to mileage has been incurred and discharged. Further details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements are provided in the narrative summary of time costs incurred which is at Appendix 2

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

- ☐ SIP 9 table of time spent and charge-out value for the period from 12 April 2013 to 12 May 2014 and for the whole period of the Liquidation period from 12 April 2012 to 12 May 2014
- ☐ Narrative summary of time costs incurred
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

7. LIQUIDATORS' STATEMENT OF EXPENSES

A statement of the expenses incurred for the period of the Liquidation is attached at Appendix 3

8. UNREALISABLE ASSETS

There are no further recoveries of book debts expected given the remaining debts have been disputed, counter claims raised, become bad debts or claims have been made that their debts were resolved pre-appointment

9. OTHER RELEVANT INFORMATION

Investigations and reporting on Members' conduct

You may be aware that the Liquidator has a duty to enquire into the affairs of an insolvent Partnership to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, as explained in the report circulated at the meeting of creditors convened pursuant to Section 98 of the Act, such report having also been sent to creditors following the meeting, the Liquidator is also required to consider the conduct of the Partnership's members and to make an

appropriate submission to the Department for Business Innovation and Skills 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 Partnership and have highlighted no potential recoveries for the estate in this respect

Connected party transactions

In accordance with Statement of Insolvency Practice 13, we confirm that the following assets were sold to the following connected parties of the Partnership

Date of sale	Asset sold and nature of transaction	Consideration paid and date	Name of Purchaser	Relationship with the Company
30 March 2012	Office Furniture and Equipment	£138 00 inc VAT 15 May 2012	AEP (NE) LLP	Common members
30 March 2012	Stock	£360 00 inc VAT 15 May 2012	AEP (NE) LLP	Common members
30 March 2012	Assets subject to distraint	£4,518 00 inc VAT 15 May 2012	AEP (NE) LLP	Common members

As there was no creditors' committee appointed, the Liquidators were not in a position to make such a consultation with a committee before the transaction took place However, the transaction did carry recommendations from CL and in the absence of any other interest, the sale was completed

10. CONCLUSION

This is the "final" report which is identical to the "draft final" report

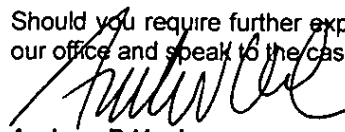
All of the Liquidation transactions have previously been concluded, there are no outstanding receipts or payments, all funds have been disbursed and all matters have been concluded

This final report and account of receipts and payments is laid before final meetings of the Company and its creditors on **Monday 12 May 2014 at 10 30am and 11 00am respectively at Begbies Traynor (Central) LLP, 2nd Floor, Waterloo House, Teesdale South, Thornaby-on-Tees, TS17 6SA** in accordance with Section 106 of the Act

These meetings are a formal requirement of Liquidation procedure and are a prelude to the formal dissolution of the Company, which will occur automatically, within approximately three months Unless creditors otherwise resolve, pursuant to Section 173(2) of the Act we will be released from liability at the time that we vacate office

The purpose of the meetings is to present the "final" report and obtain approval of the formal resolution "That the Joint Liquidators' final report and account of receipts and payments be approved"

Should you require further explanation of any matters contained within this report, you should contact our office and speak to the case manager, Ian Royle, in the first instance who will be pleased to assist

A handwritten signature in black ink, appearing to read 'Andrew D Haslam', written over the first line of the text block.

Andrew D Haslam
Joint Liquidator

Dated 12 May 2014

AEP Electrical & Mechanical LLP
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 12/04/2013 To 12/05/2014	From 12/04/2012 To 12/05/2014
	SECURED CREDITORS		
(26,908 61)	HSBC Bank plc	NIL	NIL
		NIL	NIL
	GENERAL SECURED GROUP		
4,500 00	Motor Vehicles	NIL	3,600 00
115 00	Office Equipment	NIL	180 00
4,065 00	Stock	NIL	4,000 00
89,082 00	Book Debts and Retentions	NIL	42,366 01
(26,908 61)	HSBC Bank Plc	NIL	NIL
		NIL	50,146 01
	ASSET REALISATIONS		
	Book Debts and Retentions	NIL	NIL
	Cash in hand	NIL	42 00
	Bank Interest Gross	6 34	15 17
		6 34	57 17
	COST OF REALISATIONS		
	Insolvency Practitioners' Bond	NIL	120 00
	Statement of Affairs Fee	NIL	7,500 00
	Accountants Fees	NIL	500 00
	Joint Liquidators' Remuneration	14,077 26	29,077 26
	Refund of Post-appt Book Debts	NIL	102 00
	HMRC Distant	NIL	3,765 00
	Agents' Fees	NIL	2,880 38
	BTG - Mileage	NIL	99 00
	Storage Costs	38 41	38 41
	Re-Direction of Mail	NIL	60 00
	Statutory Advertising	84 60	390 60
		(14,200 27)	(44,532 65)
	PREFERENTIAL CREDITORS		
(12,575 28)	Employees re Arrears/Hol Pay	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(114,721 84)	Trade Creditors	5,670 53	5,670 53
(128,857 10)	Employees Notice Pay & Redundancy	NIL	NIL
(31,266 34)	HM Revenue & Customs - PAYE/NIC	NIL	NIL
(63,293 39)	HM Revenue & Customs - VAT	NIL	NIL
		(5,670 53)	(5,670 53)
(306,769 17)		(19,864 46)	0 00
	REPRESENTED BY		
			NIL

Andrew David Haslam
Joint Liquidator
12 May 2014 15 24

THE LIQUIDATORS' TIME COSTS AND DISBURSEMENTS

- a SIP 9 table of time spent and charge-out value for the period from 12 April 2013 to 12 May 2014 and for the whole period of the Liquidation from 12 April 2012 to 12 May 2014,
- b Narrative summary of time costs incurred,
- c Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements, and
- d Begbies Traynor (Central) LLP's charge-out rates

Staff Grade	Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	N/A	Total Hours	Time cost £	Average hourly rate £
Administration and Planning			15								150	465 00	310 00
		55	75	55	25		126		403	18	7570	10 491 50	138 59
	Statutory reporting and statement of affairs	25	05	143	20		32				2250	5 649 00	251 07
Investigations													
Realisation of assets													
	Debt collection												
	Property business and asset sales												
Trading													
	Retention of Title/Third party assets												
	Trading												
Creditors													
	Secured												
	Others		10	55	30		15				1100	2,585 00	235 00
Other matters													
	Creditors committee												
	Meetings												
	Other												
	Tax												
	Litigation												
Total hours by staff grade													
Total time cost by staff grade £													
Average hourly rate £													
Total fees drawn to date £													

158 87

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME	AEP Electrical & Mechanical LLP
CASE TYPE	Creditors' Voluntary Liquidation
OFFICE HOLDERS	Andrew David Haslam and Gillian Margaret Sayburn
DATE OF APPOINTMENT	12 April 2012

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

This case would be considered a relatively straightforward Liquidation and as a result displayed no exceptional degree of complexity

1.3 Exceptional responsibilities

There were no exceptional responsibilities

1.4 The office holders' effectiveness

The purpose of the Liquidation was to realise the assets and bring about an orderly winding up of the Partnership's affairs. In this regard, the strategy implemented was successful

1.5 Nature and value of property dealt with by the office holders

The sale of business assets represents the sale of a motor vehicle, office equipment and stock. These assets were subject to walking possession following a distraint notice and therefore effectively charged to HM Revenue and Customs ("HMRC")

In accordance with advice taken from CL these assets were sold for £7,780.00 plus VAT

As at our appointment the Partnership's outstanding sales ledger stood at £109,082.00 which after allowing a provision for bad/doubtful debts was reduced to an estimated to realise value of £89,082.00. To date £42,366.01 has been collected. Creditors should note that a number of book debt receipts circa £31,510.00 were paid into the Partnership's bank account prior to its appointment

The sum of £42.00 was also collected and represents petty cash

1.6 Anticipated return to creditors

Preferential creditors have received a first and final dividend of 50p/£ equating to a distribution of £5,670.53

No distribution is available for unsecured creditors as the funds realised have already been distributed or used or allocated for defraying the expenses of the Liquidation

1.7 Time costs analysis

An analysis of time costs incurred between 12 April 2013 and 6 March 2014 and for the entire period of the Liquidation 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 majority of time spent for the period of this report has been spent by a Manager and Administrator/Support staff on the statutory and administrative requirements of this particular case. Further time will be incurred in the forthcoming weeks in bringing this matter to a conclusion.

The time costs analysis provides details of work undertaken by the Liquidators and their staff following their appointment only.

1 8 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 the Liquidators' appointment in summoning, advertising and holding the creditors' meeting and assisting the Members in preparing the Statement of Affairs were approved by the creditors at the Section 98 meeting.

1 9 The views of the creditors

Creditors were invited to an initial meeting of creditors on 12 April 2012 to ratify our appointment as Liquidators, agree the basis upon which we were to be remunerated and bring any other relevant matters to our attention.

The report presented to that meeting was circulated to creditors following our appointment and a progress report covering the first year of our appointment was also sent to creditors within two months of the first anniversary of the Liquidation.

1 10 Approval of fees

Creditors agreed at an initial meeting convened pursuant to Section 98 of the Act on 12 April 2012 that the Liquidators' remuneration be drawn on a time cost basis. I can confirm that remuneration of £29,077.26 has been drawn.

1 11 Approval of Expenses and Disbursements

The Liquidators' Category 1 and Category 2 expenses/disbursements were agreed at the initial meeting of creditors held on 12 April 2012.

1 12 Category 2 Disbursements

In accordance with the resolution obtained in relation to expenses and disbursements, there have been no Category 2 disbursements or disbursements which should be treated as Category 2 disbursements charged to the case since my last report to creditors.

1 13 Other professionals employed and their costs

CL were instructed to value and dispose of the Partnership's assets and the sum of £2,880.38 has been paid for these services.

The Partnership's former chartered accountants, Anderson Barrowcliff LLP was instructed to finalise the accounts of the Partnership in order to assist with the preparation of the estimated Statement of Affairs and finalise tax matters. The sum of £500.00 plus VAT has been paid for these services.

2 SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT

- 2 1** Since the date of our last report, only work of a statutory and internal compliance nature has been undertaken.

BEGBIES TRAYNOR (CENTRAL) LLP

DISBURSEMENTS AND EXPENSES POLICY AND CHARGE OUT RATES

NEWCASTLE UPON TYNE AND TEESSIDE OFFICES

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis.

Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

Where the office holder's remuneration is proposed to be fixed on an additional or alternative basis, sufficient information will be provided to creditors in order to allow them to consider whether to approve the proposed basis or bases of the office holder's remuneration.

Following approval further information will be provided to creditors regarding the office holder's fees as required by the legislation and best practice guidance.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest.

Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate.

He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level.

There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded, in 6 minute units, at the individual's hourly rate in force at that time, the hourly rates applicable to this case are detailed below.

This is of course only applicable to those cases where the office holder is remunerated on a time cost basis, rather than the additional or alternative bases explained in SIP9.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories.

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 6 April 2010)

² Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 6 April 2010)

- *Category 1 disbursements (where creditor approval is not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. Such expenditure may include Court fees, filing fees, company search fees, ML Regulation ID fees, oath fees, redirection of mail, external storage of books and records, external printing copying and stationary, postages, etc as well as legal fees, property agent fees, security, valuer fees, auctioneer and agent fees, utility costs etc. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (where creditor approval is 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.

The following items of expenditure may be charged to the case (subject to creditor approval)

- Internal meeting room usage for the purpose of statutory meetings is charged at the rate of £100 per meeting. The Newcastle upon Tyne and Teesside offices do not at this time make any such charge to the insolvent estate for internal meeting room usage.
 - Car mileage is charged at the rate of 45 pence per mile.
 - Storage of books and records (when not chargeable as a *Category 1 expense*) 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. The Newcastle upon Tyne and Teesside offices do not at this time make any such charge to the insolvent estate for the internal storage of books and records.
- *Expenses which should be treated as Category 2 disbursements (creditor approval is required)*

In addition to the 2 Categories referred to above best practice guidance indicates that where payments are made or are to be made to outside parties in which the office holder or his firm or any associate has an interest these payments should be treated as Category 2 disbursements.

Such Category 2 disbursements would for example include payments made to other entities within the Begbies Traynor Group (BTG) e.g. BTG Asset Consulting, BTG Corporate Finance, BTG Commercial Finance, BTG Tax, BTG Global Network (incorporating BTG Forensic, BTN Risk and BTG Intelligence).

BTG Asset Consulting, a division of BTG Consulting LLP which is itself part of BTG, charges £125 per hour for their advice regarding asset appraisal and disposal etc.

BTG Global Network provide a wide range of services, the most likely to be used in an insolvency procedure is in relation to enquiries and investigations into the location of assets or individuals surveillance and other investigative services, costs range from £100 to £250 per hour.

Where we have used or intend to use other entities within the Begbies Traynor Group that fact will be disclosed in the report to which this Appendix is attached or in future reports to creditors detailing the reasons for the instruction, the nature of the work undertaken, the basis of remuneration and the costs thereof.

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
- Postages

BEGBIES TRAYNOR (CENTRAL) LLP**CHARGE-OUT RATES****NEWCASTLE UPON TYNE AND TEESSIDE OFFICES**

Begbies Traynor (Central) LLP 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 Newcastle upon Tyne and Teesside offices of Begbies Traynor (Central) LLP as at the date of the report to which this Appendix is attached are as follows

Grade of staff	Charge-out Rate (£ per hour)
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Junior 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 units of 0.10 of an hour (i.e. 6 minute units)

THE JOINT LIQUIDATORS' STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Insolvency Practitioners' Bond	Marsh Limited	120 00	120 00	0 00
Accountant's Fee	Anderson Barrowcliff LLP	500 00	500 00	0 00
HMRC Distant	HM Revenue & Customs	3,765 00	3,765 00	0 00
Agent's/Valuer's Fees	Charterfields Limited	2,880 38	2,880 38	0 00
Redirection of Mail	Royal Mail	60 00	60 00	0 00
Statutory Advertising	Courts Advertising Limited	390 40	390 40	0 00