



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

1 Company details

Company number 0 0 6 0 4 1 1 4

Company name in full M.Price Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Kris Anthony

Surname Wigfield

3 Administrator's address

Building name/number 3rd Floor, Westfield House

Street 60 Charter Row

Post town Sheffield

County/Region

Postcode S 1 3 F Z

Country

4 Administrator's name ①

Full forename(s) John David

Surname Hedger

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Speedwell Mill, Old Coach Road

Street Tansley

Post town Matlock

County/Region Derbyshire

Postcode D E 4 5 F Y

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 2	^d 5	^m 0	^m 8	^y 2	^y 0	^y 2	^y 3
To date	^d 2	^d 4	^m 0	^m 2	^y 2	^y 0	^y 2	^y 4

7 Progress report

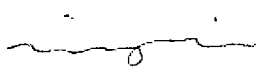
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d 2	^d 2	^m 0	^m 3	^y 2	^y 0	^y 2	^y 4
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**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 **Avis Wong**

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

Address
**3rd Floor, Westfield House
60 Charter Row**

Post town **Sheffield**

County/Region

Postcode **S 1 3 F Z**

Country

DX

Telephone **0114 2755033**

**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 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

M.Price Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 25/08/2023 To 24/02/2024 £	From 25/08/2023 To 24/02/2024 £
	SECURED ASSETS		
1,500.00	Goodwill and Intellectual Property	2,000.00	2,000.00
207,988.12	Cash at Bank	NIL	NIL
		2,000.00	2,000.00
	SECURED CREDITORS		
(707,988.28)	National Westminster Bank plc	NIL	NIL
		NIL	NIL
	HIRE PURCHASE		
10,075.00	Computer Equipment	NIL	NIL
(14,543.27)	Dell Financial Services	NIL	NIL
43,650.00	Motor Vehicles	43,650.00	43,650.00
(30,043.63)	Lombard North Central	(30,043.63)	(30,043.63)
		13,606.37	13,606.37
	ASSET REALISATIONS		
	Bank Interest Gross	0.05	0.05
500.00	Customer & Supplier records	NIL	NIL
Uncertain	Debts and retentions	NIL	NIL
	Deposit Refund	58.41	58.41
Uncertain	Director loan account	NIL	NIL
Uncertain	Inter-company loan	NIL	NIL
	Refund of credit balance	69.91	69.91
Uncertain	Stock	NIL	NIL
Uncertain	Tax Refund	NIL	NIL
34,350.00	Unencumbered Motor Vehicles	34,350.00	34,350.00
		34,478.37	34,478.37
	COST OF REALISATIONS		
	Agents Fees		
	Agents Fees	11,493.46	11,493.46
	Agents Disbursements	402.00	402.00
	Statutory Advertising		
	Advertising	93.00	93.00
		(11,988.46)	(11,988.46)
	SECONDARY PREFERENTIAL CREDITORS		
(906,950.25)	HMRC - PAYE	NIL	NIL
(140,474.79)	HMRC - VAT	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(168,031.16)	HMRC	NIL	NIL
(42,999,522.65)	Trade Creditors (Count=130)	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(11,401.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(44,680,891.91)		38,096.28	38,096.28
	REPRESENTED BY		
	Barclays FL Current Acc		46,698.59
	Fixed Charge VAT Payable		(4,130.00)
	Vat Payable		(6,870.00)
	Vat Receivable		2,397.69
			38,096.28

Kris Anthony Wigfield and John David Hedger were appointed joint administrators on 25 August 2023

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.

M.Price Limited (In Administration)

Progress report of the joint administrators

Period: 25 August 2023 to 24 February 2024

Important Notice

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

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	M.Price Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 25 August 2023
"the administrators" "we" "our" and "us"	Kris Anthony Wigfield of Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ and John David Hedger of Seneca Insolvency Practitioners Ltd, Speedwell Mill, Old Coach Road, Tansley, Matlock, Derbyshire, DE4 5FY
"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 Insolvency Act 1986

2. STATUTORY INFORMATION

Name of Company	M.Price Limited
Trading name(s):	N/A
Date of Incorporation:	6 May 1958
Company registered number:	00604114
Company registered office:	3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators:	Kris Anthony Wigfield, a Licensed Insolvency Practitioner of Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ and John David Hedger, a Licensed Insolvency Practitioner of Seneca Insolvency Practitioners Ltd, Speedwell Mill, Old Coach Road, Tansley, Matlock, Derbyshire, DE4 5FY
Date of administrators' appointment:	25 August 2023
Date of administrators' resignation:	N/A
Court:	High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies Court (ChD)
Court Case Number:	CR-2023-004529
Person(s) making appointment / application:	Mr Adam Waring, on behalf of the directors of the Company registered at Unit 1, Haslemere Business Centre, Lincoln Way, Enfield, EN1 1DX
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.
Type of Proceedings:	The proceedings will be COMI proceedings as defined by the Insolvency (England and Wales) Rules 2016 (as amended).
Extensions of the administration period	There have been no previous extensions to the administration period.

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is the Joint Administrators' abstract of receipts and payments for the period from 25 August 2023 to 24 February 2024.

Receipts

Sale of the Company's Assets

During the period of this report, a sale of the Company's assets completed on 13 October 2023 to M Price Group Limited ("MPG"), the Company's ultimate shareholder, in the sum of £80,000.00 plus VAT, which was payable in full on completion. A breakdown of the sale is as follows:

Assets	Market value (in-situ) (£)	Market value (ex-situ) (£)	Market value (ex-situ, reduced marketing period) (£)	Sum Realised (£)
Company name & trading styles, domain name, customer & suppliers records, goodwill	35,000.00 – 50,000.00	Nil	Nil	2,000.00
Unencumbered motor vehicles	49,250.00	43,200.00	29,800.00	34,350.00
Financed motor vehicles	62,250.00	58,000.00	42,100.00	43,650.00
Total	161,500.00	101,200.00	71,900.00	80,000.00

Further details with regard to the aforementioned sale are detailed below within this section of the report.

Deposit Refund

£58.41 has been paid into the administration estate by Chubb Fire & Security Ltd in respect of a deposit refund.

Bank Interest Gross

£0.05 has been paid into the administration estate by Barclays Bank Plc in respect of bank interest gross.

Refund of Credit Balance

£69.91 has been received into the administration estate from ESG Group Limited in respect of a refunded credit balance.

Payments

Statutory Advertising

The sum of £93.00 plus VAT has been paid to EPE Reynell Advertising Ltd in respect of advertising the Joint Administrators' appointment in the London Gazette. This advertisement is of a statutory requirement and therefore the cost of such cannot be avoided.

Agent's Fees

The sum of £11,493.46 has been paid to John Pye & Sons Limited ("JPS") in respect of their post-appointment fees. JPS were instructed to assist the Joint Administrators with the valuation, marketing, and sale of the Company's assets.

Agent's Disbursements

The sum of £402.00 has been paid to JPS in respect of their post-appointment disbursements.

Lombard North Central

As disclosed above, a number of the Company's motor vehicles were subject to hire purchase agreements with Lombard North Central Plc ("Lombard"), and were sold to MPG, as mentioned above. Accordingly, the Joint Administrators made a redemption payment in the sum of £30,043.63 to Lombard in order to release the equity from the sale for the benefit of the administration estate.

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 the Joint Administrators' website – <http://www.begbies-traynorgroup.com/work-details>. Under the following headings, they have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but they 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.

The details below relate to the work undertaken in the period of the report only.

General case administration and planning

The Joint Administrators have incurred time collating all required statutory information and maintaining the administration file to ensure that progress and decisions made are reflected within the file.

Time has been spent carrying out periodic case reviews to ensure that all statutory documentation has been completed and issued within the relevant time frames and that all outstanding work is completed as necessary.

The Joint Administrators have continued to maintain an electronic diary specific to the case type. This has been utilised to ensure that all statutory matters have been adhered to. This has enabled the Joint Administrators to add additional entries to ensure that matters have been progressed throughout the administration process. It has also ensured that the Joint Administrators have completed statutory documentation in a timely manner prior to any statutory due dates falling due.

In addition, the Joint Administrators have compiled and continually updated their case strategy document. This has ensured that the original strategy of the administration has been progressed and that all matters have been dealt with or resolved.

In addition, all statutory documentation that must be issued to the relevant parties during the course of the administration has been complied and issued on the statutory due dates.

There has been no financial benefit to creditors from the Joint Administrators' work in this area. However, the Joint Administrators have a duty to undertake this work, and therefore, these costs cannot be avoided.

Compliance with the Insolvency Act, Rules and best practice

In line with the requirements of the Act, Rules, and best practice guidance, the Joint Administrators prepared their Statement of Proposals ("Proposals") for the purpose of achieving the administration together with the resolutions for the purpose of obtaining the requisite creditor approval to their remuneration and expenses for acting administrators. Approval of these resolutions has been obtained.

A statutory bond has been obtained by the Joint Administrators to cover any realisations into the estate which may be available to the Company's creditors as a whole. Periodic reviews have been conducted to ensure that the administration is adequately bonded.

The Joint Administrators have spent time setting up a bank account to ensure that funds can be received into the estate for the purpose of the administration. Various banking duties have been completed including, reconciling the account and ensuring that a record of transactions is posted to the Joint Administrators' internal systems. In addition, any reconciliations achieved to date have required banking duties to be completed. The

expenses associated with the administration have been discharged from the funds held in the administration account.

Additionally, the Joint Administrators have spent time preparing this progress report to ensure that creditors are kept informed of the progress of the administration.

Though these items of work are of no direct financial benefit to creditors, they are either statutory or regulatory requirements that the Joint Administrators must adhere to, and they nevertheless benefit creditors by ensuring that they are advised of matters arising and property progressed in the administration.

Investigations

The Joint Administrators have a statutory duty to investigate the conduct of the directors and any person they consider to be or have been a shadow or de facto director during the period of three years before the date of their appointment regarding their management of the affairs of the Company and the causes of its failure. The Joint Administrators are obliged to submit a confidential report to the Department for Business, Energy, and Industrial Strategy ("DBEIS").

The Joint Administrators have undertaken a detailed investigation of the manner in which the business was conducted prior to the administration of the Company and have submitted their report to DBEIS in this regard.

The Joint Administrators have carried out a thorough review of the Company's bank statements to identify any unusual payments that may have occurred during the period prior to the Joint Administrators' appointment.

As detailed within the Proposals, from the previous work undertaken by Seneca Insolvency Practitioners Limited ("Seneca") in relation to the proposed Company Voluntary Arrangement ("CVA"), the Joint Administrators were aware of potential investigations into the movements of the directors' loan account, the inter-company loan account(s) and asset movements since the Company's last accounting period. The Joint Administrators have therefore spent time making further enquiries and collecting the relevant information for the purpose of their investigations.

Furthermore, the Joint Administrators uncovered transactions that required further investigation and therefore, they have spent time investigating the same and completing a further review of the Company's records.

It would be prejudicial to the case for the Joint Administrators to comment on the outcome of their investigations in any further detail at this stage. However, should any creditors wish to discuss this in further detail, they can send a request by email to Sheffield.North@btguk.com, where a member of the case team will get in contact.

This work has not provided a financial benefit to creditors to date, however, this work is required in order to progress the administration and therefore these costs cannot be avoided, and the work may ultimately lead to potential claims being identified and pursued for the benefit of creditors.

Realisation of assets

As detailed in their Proposals, the Joint Administrators have spent time instructing JPS to value, secure and dispose of the Company's tangible and intangible assets. Given the proposed CVA and the position with the winding up petition ("Petition"), it was not viable to complete a pre-packaged sale of the assets. Therefore, following their appointment, the Joint Administrators spent time corresponding with JPS with regards to the most appropriate disposal strategy for the sale of the Company's tangible assets. This work involved liaising with JPS in order to attend the Trading Premises and discuss and agree the most appropriate disposal strategy. It was determined that there was additional value to be had if an in-situ sale of the Company's assets could be concluded, which would also result in additional value being attributed to a sale of the Company's goodwill and intellectual property. Consequently, JPS undertook a period of marketing to identify any potential interest.

As a result, JPS produced a teaser document which was then issued to parties held on JPS' database by email shot on 7 September 2023, along with the advert being uploaded to JPS' website, LinkedIn, Twitter and

Facebook pages. Interested parties were asked to submit offers by 12 noon on 22 September 2023. JPS completed an inspection of the Company's assets and provided the Joint Administrators with a full valuation report on 13 September 2023.

Having marketed the assets for sale, 10 enquiries were received from interested parties who were all provided with a Non-Disclosure Agreement ("NDA"). 4 signed NDAs were returned and an information memorandum relating to the Company's assets was provided.

Following the period of marketing, an offer was received by MPG to purchase all of the assets of the Company. The initial offer received was in the sum of £32,900, however, on the basis that this was significantly lower than JPS' valuation, this offer was rejected.

Subsequently, MPG submitted a revised offer in the sum of £80,000 plus VAT, which JPS recommended acceptance of, on the basis that it was in line with their valuations and represented the only offer received.

As detailed above, MPG purchased the Company's assets in the sum of £80,000.00 plus VAT and time has been spent arranging for the completion funds to be transferred to the administration estate.

As disclosed above, some motor vehicles were subject to hire purchase agreements with Lombard, and were sold to MPG. Accordingly, the Joint Administrators made a redemption payment in the sum of £30,043.63 to Lombard in order to release the equity from the sale for the benefit of the administration estate.

In addition, there are a number of other third-party assets subject to hire purchase agreements or finance agreements. The Joint Administrators have spent time liaising with these third parties with regard to arranging collection of their equipment and/or sale of the assets and settlement of any liabilities outstanding.

The Company had various computer equipment subject to hire purchase agreements with Dell Financial Services ("Dell"), however based on the valuation obtained, the equipment was worth less on an ex-situ basis than the redemption figure owed to Dell. In addition, the offer received for the equipment was worth less than the redemption figure owed to Dell. Consequently the computer equipment was excluded from the sale of the assets.

Time has been spent instructing Eddisons Insurance Services Limited ("EIS"), an entity within the Begbies Traynor Group, to review the most appropriate insurance strategy and arrange for the Company's assets to be placed on open cover insurance.

The Joint Administrators have also liaised with National Westminster Bank Plc ("NatWest") in respect of the Administration proceedings, and particularly with regard to the balance of cash held in the Company's bank account of £207,988.12 upon the Company entering into Administration. Following discussions, NatWest have retained this sum under their fixed charge over cash deposits, in relation to a cross guarantee given by the Company in relation to the Coronavirus Business Interruption Loan ("CBILS") loan provided to MPG. The Joint Administrators will conduct their own investigation to ascertain whether Natwest had the right to retain the cash at bank in accordance with the terms of their security.

In any event Natwest has the right to retain cash at bank to offset their liabilities under the cross guarantee given by the Company in relation to the CBILS loan provided to MPG, the Joint Administrators will review this as part of their investigation process.

Additionally, the Joint Administrators have spent time instructing Francis Pearce Partnership Limited trading as Leslie Keats ("Leslie Keats") to assist the Joint Administrations with the collection of the debtors and retentions ledger.

The aforementioned work has provided a financial benefit to creditors as it has increased the net property of the estate.

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

Following their appointment, the Joint Administrators spent time corresponding with creditors and other parties with an interest in the proceedings regarding the issuing of the notice of administration. In addition, they issued the same notice to the pensions departments, bank and other parties who have an interest in the proceedings.

The Joint Administrators have also spent time inputting creditor claims into their internal systems as and when they are received, as well as dealing with any incoming creditor queries. Where required, the Joint Administrators have attended virtual meetings with relevant parties.

Furthermore, the Joint Administrators have liaised with the Company's secured creditor, NatWest, in respect of their indebtedness and with regard to regular updates on the administration.

The Joint Administrators have liaised with the Company's landlords to agree a surrender of the lease in respect of the Trading Premises.

This work has not resulted in a financial benefit to creditors, but it has ensured that creditor claims have been dealt with in a timely manner.

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

Time has been spent submitting the Company's VAT returns as and when they fall due.

The Joint Administrators have incurred time identifying the Company's pension schemes from the Company's records and conducting online statutory pension checks in relation to the same. Time has also been spent in preparing and submitting the relevant forms to the Pensions Protection Fund, The Pensions Regulator, and the pension Trustee.

This work has not provided a financial benefit to creditors, but it is required in order to progress the administration, and therefore, these costs cannot be avoided.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the Proposals.

On the basis of realisations to date and estimated future realisations, the Joint Administrators estimate an outcome for each class of the Company's creditors as follows:

Secured creditor

Natwest

Companies House records show three outstanding charges, which are detailed in the Joint Administrators' Statement of Proposals. The Joint Administrators have been advised that two of the three should have been removed at Companies House, and the remaining one is as outlined below:

- A fixed charge in favour of NatWest over the Company's cash deposits, which was delivered on 19 August 2021. This charge relates to a cross guarantee given by the Company regarding the CBILS loan provided to MPG. The Joint Administrators were advised prior to their appointment that the group company for whom the cross guarantee was given has the ability to meet the balance.

As at the date of the Joint Administrators' appointment, NatWest were owed a total of £707,988.28, which stands for the cross guarantee given by the Company in relation to the CBILS loan provided to MPG.

Following the Joint Administrators' appointment, NatWest retained the Company's cash deposit in the Company's bank account in the sum of £207,988.12 under their fixed charge in relation to their cross guarantee provided by the Company.

Should NatWest call further upon their cross guarantee provided by the Company, it is unlikely that they will receive any further distribution under their fixed charge. This is because the level of fixed charge costs is likely to outweigh the anticipated realisations from the fixed charge asset (namely the goodwill and intellectual property). The Joint Administrators will review NatWest's security to determine the position.

Preferential creditors

As mentioned in the Proposals, M Price Service Limited ("MPS") took over all employment of the group companies on 1 December 2022, and there are therefore no preferential claims.

Secondary preferential creditors

Further to the changes to the Finance Act 2020, HM Revenue & Customs ("HMRC") are now able to claim secondary preferential status for certain liabilities. Taxes owed by the business to HMRC comprising of VAT, PAYE Income Tax, Employee National Insurance Contributions, Student loan deductions, and Construction Industry Scheme deductions now fall under the secondary preferential status.

HMRC's secondary preferential claim was estimated at £1,047,425.04, which relates to outstanding PAYE/CIS and VAT incurred in the period since December 2022, and Regulation 80 assessments on Income Tax and NIC for the 2017 / 2018 tax year.

It should be noted that HMRC have also raised additional Regulation 80 assessments for the 2019 / 2020 tax year which have currently been postponed due to an appeal raised by the Company. As such, those amounts were not included in their estimated claim.

To date, a secondary preferential claim in the sum of £1,047,425.04 has been received from HMRC in respect of PAYE, VAT, Income tax, and NIC.

Based on realisations to date and estimated future realisations, it is anticipated that HMRC will receive a nominal dividend distribution. Given the level of HMRC's secondary preferential claim, it is unlikely that they will be paid in full, but the quantum of any dividend paid to them will solely depend on the level of realisations from the debtor ledger, and the result of the investigation into inter-company loans and director loan accounts.

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 administrator 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 £800,000

An administrator will not be required to set aside the prescribed part of net property if:

- ☐ the net property is less than £10,000 and the administrator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the administrator 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)).

The fixed charge dated 19 August 2021 has no floating charge element, and therefore, the prescribed part provisions will not apply.

Unsecured creditors

Claims of unsecured creditors were estimated at £43,167,553.81. To date, claims in the sum of £47,283,190.49 have been received. A number of substantial claims have been received that were not anticipated on the statement of affairs, including one substantial claim of circa £6.7m in respect of remedial works required to contracts previously carried out by the Company. A number of other claims received are higher than anticipated.

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

Effect of administration on limitation periods under the Limitation Act 1980

As the Joint Administrators have previously confirmed, the Limitation Act 1980 continues to apply to all debts due from the Company. Case law indicates that where a company is in administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Company becoming time-barred during the course of the administration, the Joint Administrators strongly recommend that you seek independent legal advice on the options available to you to prevent this.

6. PRE-ADMINISTRATION COSTS

On 20 December 2023, the following amounts in respect of unpaid pre-administration costs were approved by the secured and preferential creditors:

Description	Name of recipient	Net amount £	VAT £	Gross amount £
The proposed Joint Administrators' fees in relation to the Work	Begbies Traynor (SY) LLP	7,078.50	1,415.70	8,494.20
The proposed Joint Administrators' fees in relation to the Work	Seneca Insolvency Practitioners Ltd	4,882.00	976.40	5,858.40
Legal fees	MD Law (Yorkshire) LLP	6,685.00	1,337.00	8,022.00
Legal disbursements	MD Law (Yorkshire) LLP	1,780.00	300.00	2,080.00
Agents' fees	Francis Pearce Partnership Limited trading as Leslie Keats	200.00	40.00	240.00
TOTAL PRE-ADMINISTRATION COSTS		20,625.50	4,069.10	24,694.60

7. REMUNERATION & EXPENSES

The Joint Administrators' remuneration has been fixed by reference to the time properly given by them and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor (SY) LLP ("Begbies") and Seneca in attending to matters as set out in the fees estimate in the sum of £143,865.00. The secured creditor imposed a cap of £35,000.00 in respect of the Joint Administrators' remuneration. The Joint

Administrators reserve their rights to seek for an increase of the capped fee approval in the event there are significant realisations into the estate.

The Joint Administrators are also authorised to draw expenses for services provided by their firm and/or entities within the Begbies Traynor Group and Seneca, in accordance with their firms' 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.

Begbies' time costs for the period from 25 August 2023 to 24 February 2024 amount to £83,976.30, which represents 263.8 hours at an average rate of £318.33 per hour.

Seneca's time costs for the period from 25 August 2023 to 24 February 2024 amount to £35,665.50, which represents 73.50 hours at an average rate of £485.24 per hour.

The following further information in relation to the Joint Administrators' time costs and expenses is set out at Appendix 2:

- ☐ Begbies' charging policy;
- ☐ Begbies' Time Costs Analysis for the period 25 August 2023 to 24 February 2024;
- ☐ Seneca's charging policy; and
- ☐ Seneca's Time Costs Analysis for the period 25 August 2023 to 24 February 2024.

To 24 February 2024, the Joint Administrators have drawn no remuneration, against total time costs of £119,641.80 incurred since the date of their 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.

Please note that the analysis provides details of the work undertaken by the Joint Administrators and their staff following their appointment only.

As can be seen from the information above, the Joint Administrators are already approaching the level of the initial fees estimate, and have exceeded the initial cap of their remuneration by the secured creditor. For the avoidance of any doubt, they have not drawn any remuneration in excess of the level approved and capped by the secured creditor. The Joint Administrators reserve their rights to seek creditor approval for the fair and reasonable increase on their remuneration should there be significant realisations into the estate.

Category 1 Expenses

To 24 February 2024, the Joint Administrators have discharged expenses in the sum of £11,988.46.

Why have subcontractors been used?

JPS

JPS were instructed to value, market, and sell the business and assets. JPS were instructed based on their qualifications and level of experience regarding the valuation, marketing, and sale of business and assets in an insolvency scenario.

MD Law (Yorkshire) LLP ("MD Law")

MD Law were instructed to advise on legal matters and on matters relating to the appointment of the Joint Administrators due to their extensive experience in dealing with insolvency matters.

Leslie Keats

Leslie Keats were instructed to review the outstanding debts and retentions due to the Company. Leslie Keats were chosen due to their extensive experience in dealing with insolvency matters.

EIS

EIS were chosen to provide insurance broker services in respect of providing adequate insurance for the Company's assets. EIS are a member of the Begbies Traynor Group and were chosen based on their knowledge and experience in providing open cover insurance in insolvency proceedings and this work is something that the Joint Administrators were unable to complete themselves.

Category 2 Expenses

No category 2 expenses have been discharged from the administration estate during this period.

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2021' 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 the Joint Administrators' office and they will arrange to send you a copy.

8. ADMINISTRATORS' EXPENSES

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

Expenses actually incurred compared to those that were anticipated

Creditors will recall that the Joint Administrators estimated that the expenses of the administration would total £39,438.70 plus VAT plus 15% of asset realisations. That estimate has not been exceeded and the Joint Administrators do not expect it to be exceeded if matters progress to conclusion as envisaged.

9. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

As detailed in the Proposals, the assets of the Company consisted of goodwill and intellectual property, cash at bank, computer equipment, motor vehicles, customer & supplier records, debts and retentions, director loan account(s), inter-company loan(s), stock, tax refund and unencumbered motor vehicles. At this stage in the administration, the Joint Administrators have the following assets left to realise:

- ☐ Debts and retentions;
- ☐ Director loan accounts;
- ☐ Inter-company loan(s); and
- ☐ Tax refund.

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

The Joint Administrators will continue to periodically review the case to ensure that matters are being progressed and correspondence has been dealt with.

Additionally, time will be incurred continuing to maintain the file to ensure decisions made are documented.

Time will be spent updating the case strategy document to ensure ongoing matters are dealt with in a timely manner and the case is being progressed accordingly.

Though this work provides no financial benefit to creditors, it is required for the Joint Administrators to carry out their role efficiently.

Compliance with the Insolvency Act, Rules and best practice

Periodic reviews of the statutory bond will be carried out to ensure that the case remains adequately bonded and remains bonded throughout the administration process.

The Joint Administrators will incur time preparing a progress report due to creditors to update them on the progress made within a six-month period, as well as details of anticipated future works, distribution prospects, and expenses. As and when they are in a position to close the administration, they will incur time preparing and circulating a final report.

Additionally, banking duties will be carried out by way of posting income and expenditure, as well as reconciling the bank account together with the processing of bank statements, amongst other duties.

This work provides no financial benefit to creditors, but it is required by the Insolvency Act and Rules, and creditors benefit generally from being provided with regular updates on the progress of the administration.

Investigations

As mentioned above, the Joint Administrators have uncovered a number of transactions which require further investigation. Therefore, the Joint Administrators will continue their work in this regard.

As the Joint Administrators' investigations are ongoing, it would be prejudicial to the case for the Joint Administrators to comment on the outcome of their investigations in any further detail at this stage. However, should any creditors wish to discuss this in further detail, they can send a request by email to Sheffield.North@btguk.com, where a member of the case team will get in contact.

As Administrators of the Company, they are required by best practice guidance to make enquiries of creditors as to whether they wish to raise any concerns regarding the way in which the Company's business was conducted prior to the commencement of the administration or wish to bring to their attention any potential recoveries in the estate. If you would like to bring any such issues to the Joint Administrators' attention, please do so in writing to the address detailed at Section 1 of this report. Alternatively, please send an email to Sheffield.North@btguk.com. This request for information is standard practice and does not imply any criticism or cause of action against any person concerned in the management of the Company's affairs.

It is uncertain whether this further work will provide a financial benefit to creditors at this stage however, this work is required in order to progress the administration and therefore these costs cannot be avoided, and the work could ultimately result in claims being pursued for the benefit of creditors.

Realisation of assets

The Joint Administrators will continue to liaise with Leslie Keats in relation to the collection of the debtor and retention ledger.

As mentioned above, the Joint Administrators will continue their work of investigations into the movements of the directors' loan account, the inter-company loan account(s) and asset movements since the Company's last accounting period.

As mentioned above, the Joint Administrators will conduct their own investigation to ascertain whether Natwest had the right to retain the cash at bank in accordance with the terms of their security. In any event Natwest has the right to retain cash at bank to offset their liabilities under the cross guarantee given by the Company in relation to the CBILS loan provided to MPG, the Joint Administrators will review this as part of their investigation process.

In respect of the tax refund of £460,528 identified by the directors, relating to tax due on the repayment of a director's loan account, as indicated on the Statement of Affairs it was uncertain whether there would be any realisations in this respect, given the substantial liability owed to HMRC, therefore they would likely seek to offset any potential claim against the debt owed. This matter will be reviewed alongside the ongoing investigations into the movements of the directors' loan accounts.

This work carried out in respect of assets realisations is for the purpose of realising property and assets for the benefit of creditors generally.

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

Time will be spent answering creditor queries and correspondence as and when received, as well as updating the Joint Administrators' IPS systems with any claims received.

The Joint Administrators will also spend time liaising with Natwest in order to provide them with regular updates on the progress of the administration.

If there is likely to be a distribution, creditors will be made aware of this at the earliest possibility, whether it will be detailed in the next progress report or by notice of intended dividend issued during the course of administering the case.

Creditors' claims will be dealt with in accordance with the order of priority, and therefore only if there is a prospect of a dividend in the insolvency proceedings, will those specific claims be adjudicated on.

Though this work provides no financial benefit to creditors, it ensures that they are kept up to date with the administration proceedings and that their claims are recorded in the Joint Administrators' systems.

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

Time will be spent submitting the relevant VAT and Tax returns as and when they're due.

The Joint Administrators will continue to spend time identifying the Company's pension schemes to ascertain if there are any outstanding pension contributions.

This work will not provide a financial benefit to creditors, but it is a statutory requirement the Joint Administrators must comply with.

How much will this further work cost?

The 'further work' detailed above has always been anticipated, but at this point in the proceedings, it has not yet been carried out. As you know, this work is necessary in order that the Joint Administrators may complete the administration as envisaged. However, as previously stated, the Joint Administrators reserve their rights to seek creditor approval for the fair and reasonable increase on their remuneration should there be significant realisations into the estate.

Expenses

Details of the expenses that the Joint Administrators expect to incur in connection with the work that remains to be done referred to above are as set out in the estimate of anticipated expenses sent to creditors on 10 October

2023, which included all of the expenses that the Joint Administrators anticipate that they will incur throughout the administration.

What is the anticipated payment for administering the case in full?

The Joint Administrators estimated that the cost of administering the case would be in the region of £143,865.00. The Company's secured creditor has provided approval for the Joint Administrators to draw their remuneration up to the level of £35,000. However, as you are aware, the remuneration that the Joint Administrators can draw is limited to the amount that is realised for the assets, (less any costs incurred in realising those assets). At this stage in the administration, the Joint Administrators can estimate that total remuneration drawn will be in the region of £35,000.00 in accordance with the cap on their remuneration as imposed by the secured creditor. However, the Joint Administrators reserve their position in this regard and may revert to the secured creditor at a later date with a view to increasing or removing the cap where there are significant realisations into the estate.

However, please note that should there be additional or unexpected asset realisations, the Joint Administrators will look to draw their remuneration from those too, capped at the level that the creditors approve.

10. OTHER RELEVANT INFORMATION

Connected party transactions

In accordance with Statement of Insolvency Practice 13, the Joint Administrators confirm that the following assets were sold:

Date of sale	Asset sold and nature of transaction	Consideration paid and date	Name of Purchaser	Relationship with the Company
13 October 2023	Company name & trading styles, domain name, customer & suppliers records, goodwill, unencumbered motor vehicles, financed motor vehicles	£80,000.00	M Price Group Limited	Connected company by way of common directors The purchaser is also the ultimate shareholder of the Company.

Proposed exit route from administration

On present information, the Joint Administrators consider that the Company will have insufficient property to enable a distribution to be made to unsecured creditors. Consequently, as soon as they are satisfied that they have fully discharged their duties as administrators and that the purpose of the administration has been fully achieved, the Joint Administrators propose to deliver a notice of moving from administration to dissolution to the Registrar of Companies. Upon the registration of such notice the Joint Administrators' appointment as administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

Where an administrator sends such a notice of dissolution to the Registrar of Companies, he must also file a copy of the notice with the court and send a copy to each creditor of the Company, and on application by any interested party the court may suspend or disapply the automatic dissolution of the Company.

However, it may transpire that it is not possible to finalise the administration as envisaged within one year of the date of their appointment. In particular, this situation will arise if the Joint Administrators are not able to conclude the recovery of the debts and retentions, including contract retentions falling due after the appointment anniversary, or if the Joint Administrators' investigations have not been concluded. The appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, the Joint Administrators' 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 them to seek creditor consent to extending the period of the administration for up to a further twelve months following the anniversary of the Joint Administrators' appointment in order to ensure that the objective of the administration can be fully achieved.

If (whether or not an extension to the period of administration actually becomes necessary) it ultimately transpires that there are indeed surplus funds enabling a distribution to the unsecured creditors, then unless the court makes an order permitting such a distribution on their application, the Joint Administrators will issue revised proposals for consideration by creditors dealing with the most appropriate exit strategy from the administration in those circumstances.

Use of personal information

Please note that in the course of discharging the Joint Administrators' statutory duties as Joint Administrators, they may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, they 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 their 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 them.

11. CREDITORS' RIGHTS

Right to request further information

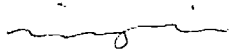
Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that the Joint Administrators provide further information about their 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 during the period of this progress report are excessive or, the basis fixed for the Joint Administrators' remuneration is inappropriate.

12. CONCLUSION

The Joint Administrators will report again in approximately six months' time or at the conclusion of the administration, whichever is the sooner.



Kris Anthony Wigfield
Joint Administrator

Dated: 22 March 2024

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 25 August 2023 to 24 February 2024

M.Price Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 24/02/2024

S of A £		£	£
	SECURED ASSETS		
1,500.00	Goodwill and Intellectual Property	2,000.00	
207,988.12	Cash at Bank	NIL	
			2,000.00
	SECURED CREDITORS		
(707,988.28)	National Westminster Bank plc	NIL	
			NIL
	HIRE PURCHASE		
10,075.00	Computer Equipment	NIL	
(14,543.27)	Dell Financial Services	NIL	
43,650.00	Motor Vehicles	43,650.00	
(30,043.63)	Lombard North Central	(30,043.63)	
			13,606.37
	ASSET REALISATIONS		
34,350.00	Unencumbered Motor Vehicles	34,350.00	
Uncertain	Stock	NIL	
500.00	Customer & Supplier records	NIL	
Uncertain	Tax Refund	NIL	
	Deposit Refund	58.41	
Uncertain	Inter-company loan	NIL	
Uncertain	Debts and retentions	NIL	
Uncertain	Director loan account	NIL	
	Bank Interest Gross	0.05	
	Refund of credit balance	69.91	
			34,478.37
	COST OF REALISATIONS		
	Agents Fees		
	Agents Fees	11,493.46	
	Agents Disbursements	402.00	
	Statutory Advertising		
	Advertising	93.00	
			(11,988.46)
	SECONDARY PREFERENTIAL CREDITORS		
(140,474.79)	HMRC - VAT	NIL	
(906,950.25)	HMRC - PAYE	NIL	
			NIL
	UNSECURED CREDITORS		
(42,999,522.65)	Trade Creditors (Count=130)	NIL	
(168,031.16)	HMRC	NIL	
			NIL
	DISTRIBUTIONS		
(11,401.00)	Ordinary Shareholders	NIL	
			NIL
(44,680,891.91)			38,096.28

**M.Price Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 24/02/2024**

S of A £	£	£
REPRESENTED BY		
Vat Receivable		2,397.69
Barclays FL Current Acc		46,698.59
Fixed Charge VAT Payable		(4,130.00)
Vat Payable		(6,870.00)
		<hr/>
		38,096.28
		<hr/>

COSTS AND EXPENSES

- a. Begbies Traynor (SY) LLP's charging policy;
- b. Seneca Insolvency Practitioners Limited's charging policy;
- c. Begbies Traynor's Time Costs Analysis for the period from 25 August 2023 to 24 February 2024; and
- d. Seneca Insolvency Practitioners Limited's Time Costs Analysis for the period from 25 August 2023 to 24 February 2024.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This policy 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 creditors' decision being made for the office holder to be remunerated on a time cost basis. Best practice guidance* requires that such information should be disclosed to those who are responsible for approving the basis of an office holder's remuneration. Within our fee estimate creditors can see how we propose to be remunerated.

In addition, this policy 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* indicates that such charges should be disclosed to those who are responsible for approving the basis of 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 their 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 which is detailed below.

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

Expenses are payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements, which are expenses that are initially paid by the office holder's own firm, but which are subsequently reimbursed from the estate when funds are available.

Best practice guidance classifies expenses into two broad categories:

- ❑ Category 1 expenses (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 expenses (approval required) - Items of expenditure that are directly related to the case and either:
 - (i) 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; or
 - (ii) are items of expenditure which are payable to an associate of the office holder and/or their firm.

* Statement of Insolvency Practice 9, (SIP9) – Payments to Insolvency office holders and their associates from an estate

Shared or allocated costs (pursuant to (i) above)

The following expenses include an element of shared or allocated cost and 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 per meeting;
- ☐ Car mileage which is charged at the rate of 45 pence per mile

Payments anticipated to be made to associates (pursuant to (ii) above)

Services provided by other entities within the Begbies Traynor group

The following expenses which relate to services provided by an entity 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 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. The forecasted cost of insurance for the 3-month period immediately following appointment is inclusive of Insurance Premium Tax. 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. Where relevant, administration fees may be charged. These costs are taken into consideration and included within the forecasted cost of insurance, above.

In accordance with standard insurance industry practice, EIS will receive payment of commission for the 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 premium(s) due on the insurer's behalf and receive payment from the estate. EIS will in turn, account to the insurer for the premium(s) 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.

General Office Overheads.

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 expense:

- ☐ 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 Sheffield office as at the date of this report are as follows:

Grade of staff	Charge-out rate range (£ per hour) 10 th July 2023 until further notice
Appointment taker/partner	560-640
Managers/directors	415-540
Other professional	215-300
Junior professional/support	170

Time spent by support staff such as secretarial, administrative, and cashiering staff is charged directly to cases. It is not carried as an overhead.

As detailed above, time is recorded in 6-minute units.

PRACTICE FEE RECOVERY POLICY FOR SENECA IP LIMITED

Introduction

This sheet explains the alternative fee bases allowed by the insolvency legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court. The report accompanying the request to fix the basis of remuneration will indicate the basis, or bases, being requested in that particular case and will make it clear what work is to be undertaken in respect of each basis.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditinsolvency.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) "Payments to Insolvency Office Holders and their Associates from an Estate" and can be accessed at <http://www.senecaip.co.uk/procedures/>. Alternatively, a hard copy may be requested from Seneca IP Limited, Speedwell Mill, Old Coach Road, Tansley DE4 5FY. Please note that we have provided further details in this policy document.

IP 9 also contains various requirements that the office holder has to comply with in connection with their remuneration, both when seeking approval and when reporting to creditors and other interested parties after approval. One of the matters that an office holder has to comply with is that they must also seek approval for any payments that could reasonably be perceived as representing a threat to the office holder's objectivity or independence by virtue of a professional or personal relationship, including to an associate. Where it is anticipated that such payments will be made in a case they will be separately identified when seeking approval for the basis of the office holder's remuneration.

Other than in respect of Voluntary Arrangements an office holder is required to record the time spent on casework in all cases, even if they are being remunerated for that work on a basis other than time costs. Time is recorded directly to the relevant case and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Case Administration (including statutory reporting).
- Investigations.
- Realisation of Assets.
- Employee matters
- Creditors (claims and distributions).
- Trading
- Case specific matters.

Expenses

As already indicated, a report will accompany the request to fix the basis of remuneration and that will include details of expenses to be incurred, or likely to be incurred. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Expenses are any payments from the insolvent estate that are neither an office holder's remuneration nor a distribution to a creditor, or a member. Expenses also include disbursements. Disbursements are payments that are first paid by the office holder and then reimbursed from the insolvent estate. Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do (Category 2).

Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder. They can be paid by the office holder without obtaining prior approval. Examples of costs that may amount to Category 1 expenses are professional advisors (who are not associates), statutory advertising, external meeting room hire (where the room is only hired for that meeting), external storage, specific penalty bond insurance, insolvency case management software fees charged on a per case basis, and Company search fees.

Category 2 expenses are either payments to associates, or payments in respect of expenses that have an element of shared costs, such as photocopying and mileage. Category 2 expenses require approval in the same manner as an office holder's remuneration before they can be paid.

The practice intends to seek approval to recover the following Category 2 expenses that include an element of shared costs:

Mileage	0.45p per mile
Pension Services	Pension Services will be charged at a rate of £375 to cover the cost of the pension services provided by a third-party business (this is on a small pension case, if it is a more complex case, this will be charged as a Category 1.)
Postage	At the Standard rate of franked mail.
Smart Searches	For the purpose of Money Laundering one off cost £60.00 per case.
Storage	Company books and records storage will be charged at a rate of £98.50 per annum per case for storage provided of the company records by a third party business (this is based on a small case of

storage records, if the case has a huge amount of records, this will be charged as a Category 1 disbursement.)

Professional advisors may be instructed to assist the office holder on the case where they consider that such assistance is necessary to enable them to appropriately administer the case. The fees charged by any professional advisors used will be recharged at cost to the case. Where the professional advisor is not an associate of the office holder it will be for the office holder to agree the basis of their fees. Where the professional advisor is an associate of the office holder it will be for those responsible for fixing the basis of the office holder's remuneration to approve payments to them. The fees of any professional advisors are subject to the rights of creditors to seek further information about them or challenge them as summarised below. Professional advisors that may be instructed on a case include:

- Solicitors/Legal Advisors;
- Auctioneers/Valuers;
- Accountants;
- Quantity Surveyors;
- Estate Agents;
- Pension specialists;
- Employment Claims specialists; and
- GDPR/Cyber Security specialists.
- IT Specialists/Consultants
- Debt Collection Agents
- Private Investigators

Office Holders Fees

Time cost basis

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6-minute units with supporting narrative to explain the work undertaken.

Charge out Rates

Grade of staff	Current charge-out rate per hour, effective from 10 October 2023 until further notice £	Previous charge-out rate per hour, effective from 1 January 2023 £
Partner – appointment taker	620	535
Senior Manager/Manager/Assistant Manager	415-540	370-480
Advisors/Senior Administrator/Administrator	250-350	250-350
Cashier	175	175
Support Staff	175	175

In cases where these staff undertake work, specific approval will be sought for the payment of the fees incurred.

These charge-out rates charged are reviewed each year and are adjusted to take account of inflation and the firm's overheads.

When we seek time costs approval, we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate, and by reference to each separate category of work. The blended rate is calculated as the prospective average cost per hour, based upon the estimated time to be expended by each grade of staff at their specific charge out rate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

A report accompanying the request to fix the basis of remuneration will include the fees estimate, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate, and by reference to each separate category of work, and will also say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. A report accompanying the request to fix the basis of remuneration will set out the potential assets in the case, the remuneration percentage proposed in respect of any realisations and the work covered by that remuneration, which may solely relate to work undertaken in connection with the realisation of the assets, but might also include other categories of work as listed above. The report will also include details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

A percentage of distributions made to unsecured creditors may also be requested, in order to cover the work associated with the agreement of claims and making the distribution.

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 it will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

If the basis of remuneration has been approved on a percentage basis, then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

Fixed fee

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. A report accompanying the request to fix the basis of remuneration will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 we will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

If the basis of remuneration has been approved on a fixed fee basis, then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

Direct Costs

Where we seek approval on a percentage and/or fixed fee basis, in order to meet the requirements of SIP 9 we also have to disclose the direct costs that are included within the remuneration that will be charged on those bases in respect of the work undertaken. The following are direct costs that will be included in respect of work undertaken in respect of each of the standard categories of work where the office holder is to be remunerated for such work on either a percentage or fixed fee basis:

- **Administration and Planning** – which includes work such as planning how the case will be administered and progressed; the administrative set up of the case; notifying creditors and others of the appointment; keeping the records relating to the case up to date; and reporting on progress of the case to creditors and others.
- **Investigations** – which includes work such as undertaking an initial review of the financial affairs of the Company and bankrupt; undertaking a detailed investigation with a view to making recoveries for the benefit of creditors where matters such as preferences or wrongful trading come to light as a result of the initial review; and reporting to the Insolvency Service on the conduct of the Directors.
- **Realisation of Assets** – which includes work such as identifying, securing and insuring assets; dealing with retention of title claims; collecting debts owed; and selling assets.
- **Employee matters** – which includes work such as dealing with employees; and liaising with the redundancy payments office.
- **Creditors** – which includes work such as communicating with creditors; dealing with creditors' claims; and where funds realised allow, paying dividends to creditors.
- **Trading** – which includes work such as managing and controlling all aspects of the business; and preparing financial records and information relating to that trading.

Mixed basis

If remuneration is to be sought on a mixed basis, we will make it clear in the report accompanying the request to fix the basis of remuneration which basis will be charged for each category of work that is to be undertaken on the case.

Members' voluntary liquidations and Voluntary Arrangements

The legislation is different for members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) and Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee, and SIP 9 does not apply unless the members specifically request it. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

All fee bases

With the exception of IVAs and CVAs, which are usually VAT exempt, the office holder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Reporting and rights to challenge

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration charged by the office holder in the period covered by the report, i.e., the amount that the office holder is entitled to draw, together with the amount of remuneration actually drawn. If approval has been obtained for remuneration on a time costs basis, the time costs incurred will also be disclosed, whether drawn or not, together with the "blended" rates of such costs. The report will also compare the actual time costs incurred with those included in the fees estimate prepared when fixing the basis of the remuneration, and indicate whether the fees estimate is likely to be exceeded. If the fees estimate has been exceeded, or is likely to be exceeded, the report will explain why that is the case.

The report will also provide information about expenses incurred in the period covered by the report, together with those actually paid, together with a comparison with the estimated expenses. If the expenses incurred, or anticipated to be incurred, have exceeded the estimate provided the report will explain why that is the case.

Under the insolvency legislation the report must also include a statement of the legislative rights of creditors to request further information about the remuneration charged and expenses incurred in the period covered by the report, or to challenge them on the grounds that they are excessive. Extracts of the relevant insolvency rules dealing with these rights are set out below. Once the time period to seek further information about the office holder's remuneration and/or expenses for the period covered by the report has elapsed, then a Court Order is required to compel the office holder to provide further information about the remuneration and expenses. A Court order is required to challenge the office holder's remuneration and/or expenses for the period covered by the report. Once that period has elapsed, then a separate Court Order is required to allow an application out of time.

Under rule 18.9 of the Insolvency (England and Wales) Rules 2006, an unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the office holder's remuneration and expenses, within 21 days of receipt of any report for the period. Any secured creditor may request the same details in the same time limit.

Under rule 18.34, an unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the office holder's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of any report for the period. Any secured creditor may make a similar application to court within the same time limit.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

Beagbies Traynor's Time Costs Analysis for the period from 25 August 2023 to 24 February 2024

SIP9 M.price Limited - Administration - 91MP799.ADM : Time Costs Analysis From 25/08/2023 To 24/02/2024

[illegible]

Seneca Insolvency Practitioners Limited's Time Costs Analysis for the period from 25 August 2023 to 24 February 2024

Time Entry - SIP9 Time & Cost Summary

0805 - M.Price Limited
Project Code: POST
From: 25/08/2023 To: 24/02/2024

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	5.30	10.10	0.70	1.30	17.40	7,530.50	432.79
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	9.20	15.30	0.00	0.00	24.50	11,623.00	474.41
Investigations	2.90	0.90	0.00	0.00	3.70	2,065.50	558.24
Realisations of Assets	23.40	4.50	0.00	0.00	27.90	14,446.50	517.80
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	40.80	30.70	0.70	1.30	73.50	35,665.50	485.24
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

STATEMENT OF ADMINISTRATORS' EXPENSES

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				
Agent Fees	John Pye & Sons Limited	11,493.46	11,493.46	NIL
Agent Disbursements	John Pye & Sons Limited	402.00	402.00	NIL
Agent Fees	Francis Pearce Partnership Limited trading as Leslie Keats	4,162.50	NIL	4,162.50
Legal Fees	MD Law (Yorkshire) LLP	1,772.50	NIL	1,772.50
Legal Disbursements	MD Law (Yorkshire) LLP	4,239.00	NIL	4,239.00
Court Fees	MD Law (Yorkshire) LLP	99.00	NIL	99.00
Postage	Postworks / Royal Mail	171.92	NIL	171.92
Statutory Advertising	EPE Reynall Advertising Limited	93.00	93.00	NIL
Statutory Bond	Aon UK Limited Marsh Ltd	120.00 1,160.00	NIL NIL	120.00 1,160.00
Subsistence	Various	100.69	NIL	100.69
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
Insurance	Eddisons Insurance Services Ltd	2,364.25	NIL	2,364.25