

AM10

Notice of administrator's progress report



Companies House

MONDAY



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22/06/2020

#298

COMPANIES HOUSE

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1 Company details

Company number 01813280

Company name in full Mar City Developments Limited

→ Filling in this form:
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Sarah

Surname Rayment

3 Administrator's address

Building name/number 55 Baker Street

Street

Post town London

County/Region

Postcode W1U7EU

Country

4 Administrator's name ①

Full forename(s) Antony

Surname Nygate

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 55 Baker Street

Street

Post town London

County/Region


Postcode W1U7EU

Country

② Other administrator
Use this section to tell us about
another administrator.

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6		Period of progress report															
From date	d	2	d	4	m	1	m	1	y	2	y	0	y	1	y	9	
To date	d	2	d	3	m	0	m	5	y	2	y	0	y	2	y	0	
7		Progress report															
<input checked="" type="checkbox"/> 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	6	y	2	y	0	y	2	y	0	


AM10

Notice of administrator's progress report

	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	Sarah Rayment
Company name	BDO LLP
Address	
5 Temple Square	
Temple Street	
Post town	
Liverpool	
County/Region	
Postcode	L 2 5 R H
Country	
DX	
Telephone	01512 374 500

	Checklist
We may return forms completed incorrectly or with information missing.	
Please make sure you have remembered the following:	
<input type="checkbox"/> The company name and number match the information held on the public Register.	
<input type="checkbox"/> You have attached the required documents.	
<input type="checkbox"/> 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	

Mar City Developments Limited - In Administration

Summary of the Joint Administrators' Receipts and Payments Account from 24 May 2016 (date of appointment) to 23 May 2020

RECEIPTS	Fixed Charge (£)	Floating Charge (£)	Movement since last report (£)	Total (£)
Freehold Land & Property - Birmingham Sale	169,000	-	-	169,000
Freehold Land - Kidderminster Sale	183,000	-	-	183,000
Freehold Land & Property - Great Hampton Sale	540,000	-	-	540,000
Freehold Land - Tile Hill Sale	233,000	-	-	233,000
Freehold Land - Fordrough Lane Sale	10,000	-	-	10,000
Freehold Land - Branstree Street	37,500	-	-	37,500
Freehold Land - Sean Dolan Close	69,000	-	-	69,000
Freehold Land - Whitworth Close	28,000	-	-	28,000
Leasehold Property - Quartz Building Sale	288,000	-	-	288,000
Sale of motor vehicle	-	9,500	-	9,500
Search Fees Refund	5,287	-	-	5,287
Sundry Proceeds from Great Hampton Sale	4,679	-	-	4,679
Contribution to costs - Fordrough Lane	4,212	-	-	4,212
Plant & Machinery	-	622,150	-	622,150
Book Debts	-	135,713	-	135,713
Sundry Refunds	749	500	-	1,248
VAT Refund	8,650	21,238	3,747	29,888
Cash held at solicitors	-	17,524	-	17,524
Output VAT	170,700	-	-	170,700
Bank Interest	827	463	304	1,291
	1,752,605	807,087		2,559,692
PAYMENTS				
Property agent costs and expenses	8,177	-	-	8,177
Sundry Payments	1,573	-	-	1,573
Insurance	35,179	2,145	-	37,324
Utilities	529	-	-	529
Legal Fees & Disbursements	90,481	42,761	3,306	133,242
Joint Administrators' Pre Appointment Fees	15,000	-	-	15,000
Joint Administrators' Fees	117,000	86,500	15,000	203,500
Joint Administrators' Disbs	48	5,991	-	6,038
Storage Costs	-	2,130	-	2,130
Caterpillar Finance	-	538,352	-	538,352
Funding Contribution - SSGL	72,710	-	69,710	72,710
Mail Redirect	15	520	-	535
GBE Settlement	-	69,020	-	69,020
Agents Fees & Disbursements	53,797	22,634	-	76,431
Input VAT	62,480.52	32,068	3,661	94,548
VAT Paid	127,849	4,327	-	132,177
Irrecoverable VAT	6,263	-	-	6,263
Bank Charges	105	67	-	171
	591,207	806,514		1,397,720
DISTRIBUTIONS - SECURED CREDITORS				
HSBC Bank plc	762,691	-	-	762,691
Bank Of Ireland	191,706	-	-	191,706
Svenska Handelsbanken	95,421	-	-	95,421
	1,049,818			1,049,818
BALANCE IN HAND AS AT 23 May 2020	111,580	574		112,154
	1,752,605	807,087		2,559,692

BDO LLP
55 Baker Street
London
W1U 7EU

S M Rayment and A D Nygate
Joint Administrators
19 June 2020

TO ALL KNOWN CREDITORS

22 June 2020

Our Ref 00262801/C1/SMR/RT

Please ask for: Rebecca Thompson
Dial: 0151 237 4472
Email: BRCMT@bdo.co.uk

Dear Madams/Sirs

Mar City Developments Limited - In Administration ('the Company')

It is now 48 months since my appointment in respect of the Company. In accordance with Rule 18.6 of the Insolvency (England and Wales) Rules 2016 I am now reporting the progress made in implementing the approved proposals and achieving the statutory purpose of the Administration for the period from 24 November 2019 to 23 May 2020 ('the Reporting Period').

1 Statutory Information

The Joint Administrators Sarah Rayment (officeholder number: 9162) and James Joseph Bannon (known as Shay Bannon) both of BDO LLP, 55 Baker Street, London, W1U 7EU were appointed in respect of the above Company on 24 May 2016.

As previously reported, on 28 March 2018, an order was made by the High Court of Justice in London, case number: CR-2018-00265 removing Mr Bannon as Joint Administrator of Mar City Developments Limited. The Court order also provided for Antony Nygate to be appointed as Joint Administrator of Mar City Developments Limited, in place of Mr Bannon. Antony Nygate (officeholder number: 9237) is authorised and licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

Under the provisions of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 the Joint Administrators carry out their functions jointly and severally, meaning any action can be carried out by one or both of them.

The Joint Administrators were appointed by HSBC Bank plc ('the Bank') being a Qualifying Floating Charge Holder, pursuant to Paragraph 14 of Schedule B1 to the Insolvency Act 1986. The Administration proceedings are dealt with in the High Court of Justice, Chancery Division and the court case number is 2847 of 2016.

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business.

The Joint Administrators are Data Controllers as defined by the General Data Protection Regulations. BDO LLP will act as Data Processor on the instruction of the Data Controllers. Personal data will be kept secure and processed only for matters relating to the Administration of Mar City Developments Limited. Please see the privacy statement at <https://www.bdo.co.uk/en-gb/privacy-notice/insolvencies>

The Company's registered office is situated at c/o BDO LLP, 55 Baker Street, London, W1U 7EU and the registered number is 01813280.

2 Receipts and Payments

I enclose, for your information, a summary of my receipts and payments to date showing a balance in hand of £112,154, together with a copy of my summary account covering the Reporting Period.

2.1 Fixed charge

Receipts

- £212 was received in respect of bank interest during the Reporting Period.

Payments

- 15,000 was paid in respect of the Joint Administrators' Fees, further details of which can be found in Section 8 of this report.
- £69,710 was paid, by way of a loan, to the Company's subsidiary, South Staffs Group Limited ("SSGL"). Simultaneously a formal funding agreement was entered into as between the Company and SSGL. Further details in this regard can be found in Section 5.2 of this report.

2.2 Floating Charge

Receipts

- £92 was received in respect of bank interest during the Reporting Period.
- £3,747 was received from HMRC in relation to a VAT refund.

Payments

- £3,306 was paid to the Joint Administrators' solicitors, Pinsent Masons LLP, during the Reporting Period in relation to on-going legal matters and advice generally.

3 Achieving the purpose of the Administration

The Joint Administrators continue to carry out their functions in order to achieve objective (c) of the statutory purposes of an Administration, namely realising property in order to make a distribution to one or more secured or preferential creditors.

As reported previously, fixed charge distributions have been made, in full, to Bank of Ireland and Svenska Handelsbanken respectively. The Bank has received various on-account payments to date in relation to its security and further distributions are anticipated.

No distributions have been made to any of the Secured Creditors during the latest Reporting Period.

4 Extension of Administration

A 12 month extension of the Administration to 23 May 2021 has been granted by the High Court of Justice during the latest Reporting Period, in order for the Joint Administrators to deal with the remaining matters pertaining to the Administration, and for any further distributions to be made to the Bank. As previously reported, once all of the remaining matters have been resolved, the Administration will be brought to an end, following which the Company will be moved into dissolution.

5 Assets

5.1 Subject to Fixed Charge Security: Long Leasehold Property

As previously reported, the Joint Administrators are continuing to liaise with our property agents, Colliers, in order to determine the optimal method for the realisation of the Company's remaining property assets, being several long leasehold business units in Great Hampton Street, Birmingham.

There has been a delay in obtaining vacant possession once this has been achieved the units will be sold by a commercial property auctioneer, as recommended by Colliers.

A further update on developments generally as regards the realisation of these remaining assets will be provided within our next progress report to creditors.

5.2 Investment in Subsidiary Companies

As advised in previous reports, the Company holds a 100% interest in two subsidiaries, SSGL and Terngate Limited ("Terngate") respectively. Based on current information, and as previously reported, the Joint Administrators do not anticipate any realisations being generated from either entity and there is no expectation that any element of either subsidiary's inter-company debtor balances will be repaid to the Company.

In order to assist SSGL with its strategy for the realisation of its own real estate assets (a property in Colindale, North West London which is also secured in favour of the Bank) it has been agreed that the Company would provide a loan to SSGL to enable it to settle the costs of its various professional advisers. The sum advanced during the latest Reporting Period and recorded within the loan facility agreement was £69,710. This sum is due to be repaid to the Company on/before 31 December 2020. These monies have been advanced from fixed charge realisations and with the agreement of the Bank.

5.3 Investment in Mar City Plc ("Plc")

The Company owns 3% of the issued share capital in Plc, which was formerly listed on the Alternative Investment Market (AIM).

As previously reported, during the latest reporting period the Joint Administrators contacted several of the larger shareholders in Plc seeking offers for the Company's interest in Plc. No offers have been received. We have therefore concluded that these shares currently hold no intrinsic value.

5.4 Intergroup Position

As advised previously, there is unlikely to be any recovery in respect of any of the pre-appointment inter-group balances.

6 Investigations

The Joint Administrators have a duty to investigate the affairs of the Company and also the conduct of the directors and in respect of the latter, to submit a confidential statutory report to the Secretary of State. I confirm that a report has been submitted.

7 Prospects for Creditors

7.1 Secured Creditors

HSBC Bank Plc is owed £10.3m in relation to an outstanding term loan of £1m and £9.3m in relation to a guarantee liability.

To date, distributions totalling £762,691 have been made to the Bank under its fixed charge security.

The Bank will suffer a shortfall under its fixed and floating security.

The Company granted additional security to the following lenders:

Party	Amount owing (£)	Security
Bank of Ireland	191,706	111-115 Great Hampton Street
Svenska Handelsbanken	95,421	The Quartz, Great Hampton Street

The Bank of Ireland and Svenska Handelsbanken have both been repaid in full (including all accrued interest) following the sale of the various properties that were secured in their favour respectively. This is reflected within the enclosed Receipts and Payments Account.

7.2 Preferential Creditors

To date preferential claims, consisting of unpaid wages and holiday pay, have been received in the Administration totalling £2,513.

On current information, we do not, regrettably, anticipate generating any net floating charge realisations that will otherwise become available to discharge the Company's preferential claims.

7.3 Unsecured creditors

To date, unsecured creditor claims notified to the Joint Administrators total £1.58m. The directors have estimated total claims of c.£25m which includes the sum of £10.5m advanced to the Company by Mar 50 Limited, the immediate parent company.

Based on current information, it is anticipated that there will be insufficient asset realisations to make a distribution to the unsecured creditors.

7.4 Prescribed Part

Under Section 176A of the Insolvency Act 1986 where after 15 September 2003 a company has granted to a creditor a floating charge a proportion of the net property of that company must be made available purely for the unsecured creditors.

The Company has granted a floating charge after 15 September 2003 and consequently the prescribed part will apply in this Administration. However, it is anticipated that realisations will be below the prescribed minimum and therefore, there will be insufficient funds generated that would enable a distribution by way of the Prescribed Part.

8 Joint Administrators' Remuneration

The Joint Administrators were obliged to fix their remuneration in accordance with Rule 18.16. This permits remuneration to be fixed either:

- (1) as a percentage of the assets realised and distributed; and/or
- (2) by reference to the time the Joint Administrators and the staff have spent attending to matters in the Administration; and/or
- (3) as a set amount; and/or
- (4) as a combination of the above.

Pursuant to Rule 2.106(5A) of The Insolvency Rules (England and Wales) 1986, the Joint Administrators' remuneration is subject to the approval of the secured creditors, in line with the fee estimate circulated to creditors on 15 July 2016 of £192,004.

To date, total time costs of £759,201 have been incurred by the Joint Administrators, which totals 2,147 hours, of which £203,548 (excluding pre appointment fees of £15k) has been drawn.

During the latest Reporting Period, time costs of £48,983 were incurred relating to 155 hours. The sum of £15,000 was drawn during the Reporting Period, with the approval of the Bank, in relation to the Joint Administrators remuneration that has accrued since appointment.

Fee Estimate and Accrued Time Costs Comparison

Summary Activity	Fee Estimate (£)	Previous Report (£)	Incurred to Date (£)
Steps on Appointment	45,664	47,159	47,159
Planning & Strategy	25,275	8,007	8,007
General Administration	50,193	215,221	221,668
Assets Realisation/ Dealing	53,579	359,823	396,529
Trading Related Matters	408	485	485
Employee Matters	6,616	3,319	3,319
Creditor Claims	1,073	7,259	7,339
Reporting	9,195	66,486	74,695
	192,004	707,759	759,201
Adjustment for time not reported within our previous report to creditors dated 19 December 2019			
		2,459	
	192,004	710,218	759,201

The table above provides a comparison between the Joint Administrators' fee estimate which was circulated to creditors on 15 July 2016 and total time costs incurred to date.

The majority of time spent during the latest Reporting Period was in relation to Asset Realisation/Dealing (the associated time costs being £36,706) as summarised further below:

- **Freehold and Leasehold Property** - liaising with instructed property agents, Colliers, and proposed auctioneers, Cottons, in ascertaining strategy for the realisation of the Company's remaining real estate assets.
- **Subsidiary Company (SSGL)** - Liaising with the director of SSGL and putting in place a suitable funding agreement as between the Company and SSGL

In addition, time costs totalling £8,209 have been recorded during the Period on "Reporting" matters as follows:

- **Statutory and other reporting** - Fulfilling all statutory reporting requirements such as progress reports to creditors, regularly reporting to the Bank and dealing with the application to Court to extend the Administration by a further 12 months.

For guidance, I enclose a document that outlines the policy of BDO LLP in respect of fees and disbursements.

NB. As referenced above, time costs of £2,459 were incurred during the previous reporting period, albeit, as a result of timing differences, these are only being highlighted now.

9 Joint Administrators' Disbursements

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. No category 1 disbursements have accrued during the Reporting Period.

Some Administrators recharge expenses, for example printing, photocopying and telephone costs, which cannot economically be recorded in respect of each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors before they can be drawn, and these are known as category 2 disbursements. The creditors have previously approved that the Joint Administrators be authorised to draw category 2 disbursements in respect of printing, stationery, photocopying, telephone and other electronic communications on the basis of £2 per creditor in the first year of the Administration and £1 per creditor in respect of each subsequent year and on the basis of the mileage scale approved by HMRC, being 45p per mile unless otherwise disclosed to the creditors. No category 2 disbursements have accrued during the Reporting Period.

10 Creditor rights and enquiries

Creditors with the concurrence of at least 5% in value of the unsecured creditors may within 21 days of this report request in writing further information regarding the remuneration and expenses set out in this report. In accordance with Rule 18.9(3) of the Rules within 14 days of a request we will provide further information or explain why further information is not being provided. Creditors may access information setting out creditors' rights in respect of the approval of the Joint Administrators' remuneration at <https://www.bdo.co.uk/en-gb/insights/advisory/business-restructuring/creditors-guides>.

Creditors with the concurrence of at least 10% of the creditors may apply to the court if they consider that the remuneration of the Joint Administrators, or the basis fixed for the remuneration of the Joint Administrators or expenses charged by the Joint Administrators are excessive (Rule 18.34 of the Rules). Such an application must be made within 8 weeks of receiving this report. The text of Rules 18.9 and 18.34 are set out at the end of this report.

The Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this appointment. A copy of the code can be found at <https://www.icaew.com/technical/ethics/icaew-code-of-ethics/icaew-code-of-ethics>.

The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency practitioners. In the event that you make a complaint to me but are not satisfied with the response from me then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

If you require any further information please contact me or my colleague Rebecca Thompson at BRCMT@bdo.co.uk.



Please note, the affairs, business and property of the Company are being managed by the Joint Administrators who act only as agents of the Company and without personal liability.

Yours faithfully
For and on behalf of
Mar City Developments Limited

A handwritten signature in black ink, appearing to read 'S M Rayment', written over a horizontal line.

S M Rayment
Joint Administrator
Authorised by the Insolvency Practitioners Association in the UK

Enclosures

Receipts and Payments Account
SIP 9 Time Cost Report for the Reporting Period
SIP 9 Time Cost Report for the period of Administration
Fees Estimate to Accrued Time Comparison
BDO LLP Policy in Respect of Fees and Disbursements
Statement of Creditors' Rights in respect of Fees and Disbursement

Mar City Developments Limited - In Administration

Summary of the Joint Administrators' Receipts and Payments Account from 24 May 2016 (date of appointment) to 23 May 2020

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Caterpillar Finance	-	538,352	-	538,352
Funding Contribution - SSGL	72,710	-	69,710	72,710
Mail Redirect	15	520	-	535
GBE Settlement	-	69,020	-	69,020
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Irrecoverable VAT	6,263	-	-	6,263
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	1,752,605	807,087		2,559,692

BDO LLP
55 Baker Street
London
W1U 7EU

S M Rayment and A D Nygate
Joint Administrators
19 June 2020

Name of Assignment **Mar City Developments Limited** **00262801**
Summary of Time Charged and Rates Applicable for the Period From 24/11/2019 to 23/05/2020

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL		£
	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	
D. General Administration	0.25	127.75	6.10	775.90	0.35	67.20	1.75	77.00	47.35	5,234.65	0.05	5.80	55.85	6,788.30	112.5
E. Assets Realisation/Dealing	0.50	391.50	63.50	34,417.00									64.00	34,808.50	543.8
H. Creditor Claims			0.10	24.70					0.35	55.60			0.45	80.30	178.4
I. Reporting	2.50	1,957.50	0.20	49.40	1.50	288.00	1.20	157.20	28.85	5,354.10			34.25	7,806.20	227.9
	3.25	2,476.75	69.90	35,267.00	1.85	355.20	2.95	234.20	76.55	10,644.35	0.05	5.80			

Net Total

Secretarial Expense
Other Disbursements
Billed

Grand Total

154.55	48,983.30
	0.00
	0.00
	0.00
	48,983.30

Name of Assignment Mar City Developments Limited 00262801

Detail of Time Charged and Rates Applicable for the Period From 24/05/2016 to 23/05/2020

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total
		£		£		£		£		£		£		£
B. Steps on Appointment														
02. Statutory Documentation									13.50	1,593.00			13.50	1,593.00
05. Initial Interviews	2.00	1,382.00											2.00	1,382.00
07. Attendance at Premises	8.00	5,528.00	39.50	18,881.00					8.00	1,656.00			55.50	26,065.00
08. Detail Documentation Review			9.00	4,302.00									9.00	4,302.00
99. Other Matters			30.50	13,816.50									30.50	13,816.50
sub total -	10.00	6,910.00	79.00	36,999.50					21.50	3,249.00			110.50	47,158.50
B. Steps on Appointment														
C. Planning and Strategy														
02. Review Financial Position									1.25	196.25			1.25	196.25
07. Strategy Planning	11.00	7,811.00											11.00	7,811.00
sub total -	11.00	7,811.00		0.00					1.25	196.25			12.25	8,007.25
C. Planning and Strategy														
D. General Administration														
01. Insurance Matters									5.00	620.00			5.00	620.00
02. VAT			0.50	165.25	0.15	18.60			102.65	29,439.60			103.30	29,623.45
03. Taxation	4.25	3,819.50							0.50	78.50			4.75	3,898.00
04. Instruct/Liase Solicitors	4.50	3,179.50											4.50	3,179.50

Name of Assignment **Mar City Developments Limited** 00262801

Detail of Time Charged and Rates Applicable for the Period From 24/05/2016 to 23/05/2020

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
05. Investigations			204.50	102,075.00					2.00	236.00			206.50	102,311.00
07. Receipts/Payments Accounts	0.45	229.95	20.10	3,827.55	3.35	463.70	14.85	2,057.50	275.20	30,280.90	8.55	632.05	322.50	37,491.65
08. Remuneration Issues									0.10	17.00			0.10	17.00
09. Statutory Matters			1.70	422.40	0.25	48.00			14.75	2,117.25			16.70	2,587.65
12. Press/PR Matters	2.00	1,452.00											2.00	1,452.00
13. General Meetings	5.50	4,009.50							1.15	268.75			6.65	4,278.25
14. General Discussions	7.00	5,012.00							1.40	259.00			8.40	5,271.00
15. Gen. Admin/Correspondence	24.80	16,495.40	20.70	7,152.45			1.30	151.90	55.95	6,450.40			102.75	30,250.15
16. Maintain Internal Files					0.35	50.95			3.60	579.50			3.95	630.45
99. Other Matters									0.35	57.75			0.35	57.75
sub total - D. General Administration	48.50	34,197.85	247.50	113,642.65	4.10	581.25	16.15	2,209.40	462.65	70,404.65	8.55	632.05	787.45	221,667.85
E. Assets Realisation/Dealing														
02. Evaluation/Reconciliation			26.10	8,235.70									26.10	8,235.70
03. Asset Tracing			134.60	67,018.20									134.60	67,018.20
04. Agent Instruction/Liasing									6.00	1,108.00			6.00	1,108.00

Name of Assignment

Mar City Developments Limited

00262801

Detail of Time Charged and Rates Applicable for the Period From 24/05/2016 to 23/05/2020

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total
		£		£		£		£		£		£		£
06. Property Related Matters	7.70	5,571.20	531.50	276,039.00					173.90	30,418.60			713.10	312,028.80
07. Debt Collection									17.75	4,419.75			17.75	4,419.75
08. Dealing with Chattel Assets	2.00	1,382.00											2.00	1,382.00
14. Sale of Business/Assets									4.50	742.50			4.50	742.50
99. Other Matters			3.50	1,585.50					0.05	8.25			3.55	1,593.75
sub total - E. Assets Realisation/Dealing	9.70	6,953.20	695.70	352,878.40					202.20	36,697.10			907.60	396,528.70
F. Trading Related Matters														
99. Other Matters			1.80	485.10									1.80	485.10
sub total - F. Trading Related Matters			1.80	485.10									1.80	485.10
G. Employee Matters														
02. Dealing with Employees			5.75	1,373.80							5.00	524.80	10.75	1,898.60
03. EPA Matters											5.95	608.40	5.95	608.40
04. Pension Issues			0.60	127.80							1.20	132.00	1.80	259.80
99. Other Matters			2.20	436.90					0.85	115.00			3.05	551.90

Name of Assignment **Mar City Developments Limited** 00262801.

Detail of Time Charged and Rates Applicable for the Period From 24/05/2016 to 23/05/2020

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total
	£		£		£		£		£		£		£	
sub total -														
G. Employee Matters			8.55	1,938.50					0.85	115.00	12.15	1,265.20	21.55	3,318.70
H. Creditor Claims														
02. Secured Creditors			1.50	717.00					5.00	850.00			6.50	1,567.00
03. Preferential Creditors			4.45	985.80							0.90	82.50	5.35	1,068.30
04. Non-Preferential Creditors			2.75	634.10					20.35	2,489.35	0.30	20.10	23.40	3,143.55
06. Other Creditors	2.00	1,452.00											2.00	1,452.00
99. Other Matters									0.75	108.00			0.75	108.00
sub total -	2.00	1,452.00	8.70	2,336.90					26.10	3,447.35	1.20	102.60	38.00	7,338.85
H. Creditor Claims														
I. Reporting														
01. Statutory Reporting	3.00	2,250.00	3.30	808.60	8.65	1,251.60	4.20	531.60	88.05	12,838.10			107.20	17,679.90
02. Reporting to Appointor	14.25	10,579.25	61.40	30,878.80					36.70	7,651.30			112.35	49,109.35
04. Reporting to Creditors			0.60	194.10					43.85	5,703.20			44.45	5,897.30
05. Reporting to Court									4.00	996.00			4.00	996.00
06. Reporting to other bodies									1.00	157.00			1.00	157.00
99. Other Matters									4.50	855.00			4.50	855.00

Name of Assignment Mar City Developments Limited 00262801

Detail of Time Charged and Rates Applicable for the Period From 24/05/2016 to 23/05/2020

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total
	£		£		£		£		£		£		£	
sub total - I. Reporting	17.25	12,829.25	65.30	31,881.50	8.65	1,251.60	4.20	531.60	178.10	28,200.60			273.50	74,694.55
Net Total													759,199.50	
Secretarial Expense													0.00	
Other Disbursements													0.00	
Billed													0.00	
Grand Total													759,199.50	



Mar City Developments Limited - In Administration

In accordance with best practice I provide below details of policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvency.

The current charge out rates per hour of staff within my firm who may be involved in working on the insolvency, follows:

GRADE	£
Partner	783
Manager	346-604
Assistant Manager	311
Senior Administrator	291
Administrator	170-291
Other Staff	92-114

This in no way implies that staff at all such grades will work on the case. The rates charged by BDO LLP are reviewed on a regular basis and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes. BDO LLP records work in respect of insolvency work under the following categories:-

- Pre Appointment
- Steps upon Appointment
- Planning and Strategy
- General Administration
- Asset Realisation/Management
- Trading Related Matters
- Employee Matters
- Creditor Claims
- Reporting
- Distribution and Closure
- Other Issues.

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

(a) Other Costs

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.



(b) Category 1

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents etc. In each case the recharge will be reimbursement of a specific expense incurred.

(c) Category 2

We propose to recover from the estate the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is raised which is in line with the HM Revenue & Customs Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval will be sought in accordance with the Insolvency (England and Wales) Rules 2016 to recover this disbursement.

Where applicable, all disbursements will be subject to VAT at the prevailing rate.

BDO LLP
22 June 2020

Statement from the Insolvency (England and Wales) Rules 2016 regarding the rights of creditors in respect of the Joint Administrators' fees and expenses:

Creditors' and members' requests for further information in administration, winding up and bankruptcy

18.9.—(1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14—

- (a) a secured creditor;
 - (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
 - (c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
 - (d) any unsecured creditor with the permission of the court; or
 - (e) any member of the company in a members' voluntary winding up with the permission of the court.
- (2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.
- (3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by—
- (a) providing all of the information requested;
 - (b) providing some of the information requested; or
 - (c) declining to provide the information requested.
- (4) The office-holder may respond by providing only some of the information requested or decline to provide the information if—
- (a) the time or cost of preparation of the information would be excessive; or
 - (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
 - (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
 - (d) the office-holder is subject to an obligation of confidentiality in relation to the information.
- (5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.
- (6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of—
- (a) the office-holder giving reasons for not providing all of the information requested; or
 - (b) the expiry of the 14 days within which an office-holder must respond to a request.
- (7) The court may make such order as it thinks just on an application under paragraph (6).

Remuneration and expenses: application to court by a creditor or member on grounds that remuneration or expenses are excessive

18.34.—(1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that—

- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
 - (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
 - (c) the expenses incurred by the office-holder are in all the circumstances excessive.
- (2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable—
- (a) a secured creditor,
 - (b) an unsecured creditor with either—
 - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - (ii) the permission of the court, or
 - (c) in a members' voluntary winding up—
 - (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - (ii) a member of the company with the permission of the court.

(3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

Applications under rules 18.34 and 18.35 where the court has given permission for the application

18.36.—(1) This rule applies to applications made with permission under rules 18.34 and 18.35.

(2) Where the court has given permission, it must fix a venue for the application to be heard.

(3) The applicant must, at least 14 days before the hearing, deliver to the office-holder a notice stating the venue and accompanied by a copy of the application and of any evidence on which the applicant intends to rely.

(4) If the court considers the application to be well-founded, it must make one or more of the following orders—

- (a) an order reducing the amount of remuneration which the office-holder is entitled to charge;
- (b) an order reducing any fixed rate or amount;
- (c) an order changing the basis of remuneration;
- (d) an order that some or all of the remuneration or expenses in question is not to be treated as expenses of the administration, winding up or bankruptcy;
- (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
 - (i) the administrator or liquidator or the administrator's or liquidator's personal representative to the company, or
 - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
- (f) any other order that it thinks just.

(5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.

(6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration, winding up or bankruptcy.

Applications under rule 18.34 where the court's permission is not required for the application

18.37.—(1) On receipt of an application under rule 18.34 for which the court's permission is not required, the court may, if it is satisfied that no sufficient cause is shown for the application, dismiss it without giving notice to any party other than the applicant.

(2) Unless the application is dismissed, the court must fix a venue for it to be heard.

(3) The applicant must, at least 14 days before any hearing, deliver to the office-holder a notice stating the venue with a copy of the application and of any evidence on which the applicant intends to rely.

(4) If the court considers the application to be well-founded, it must make one or more of the following orders—

- (a) an order reducing the amount of remuneration which the office-holder is entitled to charge;
- (b) an order reducing any fixed rate or amount;
- (c) an order changing the basis of remuneration;
- (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration or winding up or bankruptcy;
- (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
 - (i) the administrator or liquidator or the administrator's or liquidator's personal representative to the company, or
 - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
- (f) any other order that it thinks just.

(5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.

(6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration or as winding up or bankruptcy.