



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

1 Company details

Company number	0	2	0	3	9	2	0	9
Company name in full	Thomas Barnes & Sons PLC							

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

2 Administrator's name

Full forename(s)	Dean
Surname	Watson

3 Administrator's address

Building name/number	2 - 3 Winckley Court
Street	Chapel Street
Post town	Preston
County/Region	
Postcode	P R 1 8 B U
Country	

4 Administrator's name ①

Full forename(s)	Paul
Surname	Stanley

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

5 Administrator's address ②

Building name/number	2 - 3 Winckley Court
Street	Chapel Street
Post town	Preston
County/Region	
Postcode	P R 1 8 B U
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 1	^d 8	^m 0	^m 4	^y 2	^y 0	^y 2	^y 3
To date	^d 1	^d 0	^m 0	^m 5	^y 2	^y 0	^y 2	^y 3

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date	^d 1	^d 0	^m 0	^m 5	^y 2	^y 0	^y 2	^y 3
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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 **Keeley Lord**

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

Address **2 - 3 Winckley Court**

Chapel Street

Post town **Preston**

County/Region

Postcode **P R 1 8 B U**

Country

DX

Telephone **01772 202000**

**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

Dean Watson and Paul Stanley appointed joint administrators on 13 November 2015

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.

Thomas Barnes & Sons PLC (In Administration)

Final Progress Report of the joint administrators

Period: 18 April 2023 to 10 May 2023

Important Notice

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

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Thomas Barnes & Sons PLC (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 13 November 2015
"the administrators", "we", "our", "us"	Dean Watson and Paul Stanley of Begbies Traynor (Central) LLP, 2 - 3 Winckley Court, Chapel Street, Preston, PR1 8BU
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act.

2. STATUTORY INFORMATION

Name of Company	Thomas Barnes & Sons PLC
Trading name(s):	NA
Date of Incorporation:	21 July 1986
Company registered number:	02039209
Company registered office:	Wellington House, Wellington Street, Bury, BL8 2BD

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of administrators:	Dean Watson and Paul Stanley are Licenseds Insolvency Practitioners of Begbies Traynor (Central) LLP, 2 - 3 Winckley Court, Chapel Street, Preston, PR1 8BU
Date of appointment:	Lila Thomas and David Acland - 13 November 2015 Ian McCulloch and Dean Watson – 4 July 2016 Paul Stanley - 6 July 2021
Date of resignation:	Lila Thomas and David Acland - 4 July 2016 Ian McCulloch – 6 July 2021
Court:	High Court of Justice, Preston District Registry
Court Case Number:	2015-197 of 2015
Person(s) making appointment / application:	Pamela Barnes, Brian Barnes (deceased) and Thomas Barnes (collectively known as "FAMACC") being the holder of a qualifying floating charge ("QFCH").
Acts of the administrators:	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EU Regulation on Insolvency Proceedings:	Regulation (EU) No 2015/848 of the European Parliament and of the Council applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.
Extensions of the administration period	The administration period was extended with the consent of creditors for a period of 12 months until 12 November 2017. A further extension of 24 months was granted by the court in 2017. In 2019, an additional extension of 24 months was received. On 29 October 2021 a further extension was granted by the court until 12 May 2023.

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 18 April 2023 to 10 May 2023.

RECEIPTS

Bank Interest Gross

During the period of the Administration, funds have been placed into an interest-bearing account. During the period of this report, total interest of £19.13 has been received.

PAYMENTS

Bordereau

£44.50 has been paid to AUA Insolvency Risk Services in relation to the Joint Administrators statutory bond.

Legal Fees

Gateley Legal have been paid £750 plus VAT for their assistance in preparing an assignment document.

Stationery & Postage

Costs of £30.22 have been paid during the period of this report. Further details can be found in appendix 4, Statement of expenses.

Storage Costs

Restore LLP have been paid £75 in respect of storage costs of the Joint Administrators files.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 3. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment.

The details below relate to the work undertaken in the period of the report only. Our previous reports contain details of the work undertaken since our appointment.

Compliance with the Insolvency Act, Rules and best practice

Insolvency Practitioners are required to comply with the provisions of The Insolvency Act 1986 (as amended) and The Insolvency Rules 1986 (as amended), together with best practice guidelines laid down within the profession (for instance the Statements of Insolvency Practice set out by the R3 body which represents business recovery professionals). This includes the undertaking of periodic reviews of case progression, ensuring that a specific bond is in place at the correct value to insure the sums realised and the issuing of periodic reports on the progress of the insolvency to creditors.

Time charged to "Compliance with the Insolvency Act, Rules and Best Practice" in the period covered by this report includes the undertaking of these tasks, primarily the preparation of our previous progress report and final report.

5. OUTCOME FOR CREDITORS

Secured creditor – FAMACC

FAMACC hold fixed and floating charges over the Company's assets created on 1 August 1997. In addition, FAMACC has the benefit of an intercompany cross guarantee between the Group

companies and a chattel mortgage over the Company's assets. The indebtedness due to FAMACC at the date of appointment amounted to c£685k. In addition, monies owed to FAMACC by other group companies are caught under the cross guarantee. As at the date of this report, FAMACC have received total distributions under the fixed charge of £327,678.84.

Preferential creditors

Preferential claims of employees for arrears of wages, salary and holiday pay were estimated at £31,665.70 and we have received claims of £17,311.48.

There have been insufficient realisations to pay a dividend to the preferential creditors.

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

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

Unsecured creditors

Claims of unsecured creditors were estimated at £2,983,121 as per the Company's books and records.

There have been insufficient realisations to pay a dividend to unsecured creditors.

Exit from administration

Once the Notice of move from administration to dissolution (Form AM23) has been registered (which we anticipate shortly), our appointment as administrators will cease to have effect and, unless the court makes an order otherwise, the Company will be deemed to be dissolved at the end of the period of three months from the date of registration of the notice.

6. ADMINISTRATORS' PROPOSALS

Attached at Appendix 2 is a summary of our proposals as deemed approved under Rule 3.38(4) of the Rules in the absence of an initial meeting of creditors.

7. SUMMARY OF STEPS TAKEN DURING THE ADMINISTRATION

On 13 November 2015, Pamela Barnes, Brian Barnes (deceased) and Thomas Barnes (collectively known as "FAMACC") being the holder of a qualifying floating charge ("QFCH"), filed a Notice of Appointment of an Administrator at the High Court of Justice, Preston District ("the Court") appointing Lila Thomas and David Acland as Joint Administrators of the Company.

The Administrators advised the Directors of the effect of their appointment and the restrictions now placed on them. All statutory documents concerning this appointment were filed at Court and at Companies House in accordance with the Act. All known creditors were advised of the appointment.

The Company ceased operations prior to the appointment and the staff were made redundant. Immediately following the appointment, the Administrators submitted notification of their appointment and the relevant documents to The Redundancy Payments Service in order for the employees' claims to be processed.

The Joint Administrators were advised that the Company's only assets consisted of debtors which include invoiced works, retentions and a VAT Reclaim.

The proposals were circulated to all known creditors for their information on 5 January 2016. An initial meeting of creditors was not summoned because of the statement contained in the proposals, pursuant to paragraph 52(1)(b) of Schedule B1 to the Insolvency Act 1986 that the Company had insufficient property to enable a distribution to unsecured creditors. The proposals were accordingly deemed to have been approved by the creditors, pursuant to Rule 2.33(5A) of the Insolvency Rules 1986 and we wrote to creditors to confirm the same on 19 January 2016.

Furthermore, the Joint Administrators sought approval of the basis of remuneration from the secured and preferential creditors of the Company. Approval was received by the secured creditor on 15 January 2016.

As part of their statutory duties the Administrators considered the conduct of the Director and management in relation to his management of the affairs of the Company and the cause of failure. A confidential report was submitted to the Department for Business, Innovation and Skills.

Changes to Administrators and Extensions of the Administration

On 4 July 2016, a block transfer order was made in the Manchester District Registry of the High Court of Justice (number 2508 of 2016) transferring the appointment of Lila Thomas and David Robert Acland to Ian McCulloch and Dean Watson as Joint Administrators.

The administration period was extended with the consent of creditors for a period of 12 months until 12 November 2017.

A further extension of 24 months was granted by the Court in 2017.

In 2019, an additional extension of the Administration was sought in order to pursue the claim in respect of a terminated contract prior to appointment in addition to pursuing the outstanding debtor ledger of the Company. An extension of the Administration for the period of 24 months was received from the Court.

On 06 July 2021, Paul Stanley replaced Ian McCulloch as Joint Administrator of the Company by order of the Court.

On 29 October 2021 a further extension was granted by the court until 12 May 2023 to allow the Administrator to continue to claim, noted above, to prepare for the trial which was scheduled for July 2022 and to finalise any tasks outstanding in the Administration.

Creditors have been kept fully apprised of the below realisations and the steps taken throughout the Administration.

Book Debts / Contract Debts

As at the date of appointment the Company had a ledger totalling £696,405 which included invoiced works of £69,311, retentions of £204,895 and un-invoiced works / work in progress totalling £422,199.

In light of the contractual nature of the debts, it was identified that the Directors assistance would be crucial to any future recoveries. The Joint Administrators took immediate steps to review the collectability of the ledger with the Directors assistance. Another group company were provided with authority to undertake any remedial works, review and agree the final accounts on behalf of the Company. It was agreed that a collection fee and any direct costs would be paid to the group upon receipt of any monies that they have actively assisted in securing.

Based on the initial review, it was deemed that it would be unlikely that any monies will be recovered in respect of the un-invoiced works / work in progress. The sum of £247,528 specifically related to two disputed contracts. The remainder of these monies related to contracts which were abandoned following the cessation of trade.

In respect of the invoiced works and retentions totalling £274,206, it was estimated that the sum of £158,656 would be fully recoverable.

A dispute was raised by one debtor regarding invoiced works and retentions. This matter was referred to solicitors.

Debtor realisations were finalised in August 2020. The total sum of £169,656.97 was received and the total sum of £7,474.55 was paid in respect of contract completion costs.

VAT Reclaim

Immediately prior to the appointment, the Company submitted a VAT Return for the quarter ending 30 September 2015 to HM Revenue & Customs ("HMRC"). The return detailed a repayment due to the Company in the sum of £432,804. The return was not exceptional and the Company had historically operated on a repayment basis given the contractual nature of the business.

Following receipt of the return, HMRC requested a site meeting to inspect the Company's records and further queries were raised. With the assistance of the Director and the Group Accountant, the Administrators addressed these queries.

HMRC confirmed on 13 April 2016 that a repayment in the sum of £483,222.66 was available to the Company.

Against this sum, HMRC applied crown set-off and on 31 July 2017 the balance of £234,891 was received.

Corporation Tax Loss Relief Claim

As detailed in the proposals, the Company had a potential terminal loss relief. However, following the outcome of the VAT reclaim, the matter was reviewed by the Administrators, and it was deemed not to be in the interest of creditors to pursue this claim.

Terminated Contract Claim

As creditors are aware, during the period of the Administration it was deemed that the Company had a potential significant claim for a contract that was terminated prior to insolvency.

Hill Dickinson and experts were instructed to assist with the claim. Following a review, proceedings were issued and Hill Dickinson and experts were instructed to assist with the proceedings.

A trial took place in the High Court of Justice Business and Property Courts in Manchester Technology and Construction Court in July 2022. Judgement was handed down and the decision made, in summary, was that the Company does not have a claim for any monies due under the contract.

Following a review of options available with the Joint Administrators' solicitors a decision has been made to move the matter to closure.

The costs of the proceedings have been funded from a combination of asset realisations made in the case (as detailed above) and funding from FAMACC.

Purpose of Administration

The proposals stated that it was considered not reasonably practicable to achieve either of the objectives specified in sub-paragraph 3(1)(a) and 3(1)(b), and consequently the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(c), namely realising property in order to make a distribution to one or more secured or preferential creditors.

A dividend has been paid to the secured creditors thereby satisfying the statutory purpose of the administration under paragraph 3(1)(c), namely realising property in order to make a distribution to one or more secured or preferential creditors.

As there was no further merit in extending the administration (and no further purpose to be achieved), as explained above, the administration is to end via dissolution.

8. REMUNERATION & EXPENSES

Our remuneration has been fixed by reference to the time properly given by us (as administrators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the administration.

We are also authorised to draw expenses, including expenses for services provided by our firm (defined as category 2 expenses in Statement of Insolvency Practice 9), in accordance with our firm's policy, details of which accompanied the Statement of proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report.

Our time costs for the period from 18 April 2023 to 10 May 2023 amount to £15,333.50 which represents 34.30 hours at an average rate of £447.04 per hour.

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

- ❑ Begbies Traynor (Central) LLP's charging policy;
- ❑ Time Costs Analysis for the period 18 April 2023 to 10 May 2023; and
- ❑ Time Costs Analysis for the period 13 November 2015 to 10 May 2023

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. An additional analysis is also attached which details the time costs for the entire period for which we have administered the liquidation.

Please note that each analysis provides details of the work undertaken by us and our staff following our appointment only.

To 9 May 2023, we have drawn the total sum of £33,107.53 on account of our remuneration, against total time costs of £341,498.50 incurred since the date of our appointment. In addition to the time costs information disclosed at Appendix 2 for the period since our last progress report, our previous progress report contained details of the time costs we had incurred as at the date of each report.

What was the anticipated payment for administering the case in full and did the joint administrators receive that payment?

We estimated that the cost of administering the case would be in the region of £84,233, and subsequently the Secured Creditor has provided approval (in accordance with Insolvency Rule 18.18) for us to draw our remuneration up to that level.

Details of what remuneration has been drawn is detailed above. All additional costs incurred over and above what has been approved are to be written off.

However, please note that should there be additional or unexpected asset realisations, we will look to draw further remuneration from those too, capped at the level that the creditors have approved.

Category 1 Expenses

During the period of this report, we have also drawn expenses in the sum of £899.72.

Category 2 Expenses

There have been no category two expenses incurred or paid during the period of this report.

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 our office and we will arrange to send you a copy.

9. EXPENSES

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

Creditors will recall that we estimated that the expenses of the administration would total £6,796.76.

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been incurred during the period of this progress report.

Right to make an application to court

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

11. ASSETS THAT REMAIN TO BE REALISED

There are no assets of the Company that remain to be realised.

12. OTHER RELEVANT INFORMATION

Extension of administration

The administration period was extended with the consent of creditors for a period of 12 months until 12 November 2017. A further extension of 24 months was granted by the court in 2017. In 2019, an additional extension of 24 months was received. On 29 October 2021 a further extension was granted by the court until 12 May 2023.

Use of personal information

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

13. CONCLUSION

A handwritten signature in black ink, appearing to be 'DW', written in a cursive style.

Dean Watson
Joint Administrator

Date: 10 May 2023

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 18 April 2023 to 10 May 2023

Statement of Affairs £	From 18/04/2023 To 10/05/2023 £	From 13/11/2015 To 10/05/2023 £
SECURED ASSETS		
Book Debts	NIL	169,656.97
VAT Refunds	NIL	234,891.00
	<u>NIL</u>	<u>404,547.97</u>
SECURED CREDITORS		
FAMAC	NIL	327,678.84
	<u>NIL</u>	<u>(327,678.84)</u>
ASSET REALISATIONS		
Bank Interest Gross	19.13	222.53
Cash at Bank	NIL	2,183.34
Contribution from Creditor	NIL	913,321.30
Deposit For Costs	NIL	25,000.00
Plant & Machinery	NIL	1,500.00
Sundry Refund	NIL	105.00
	<u>19.13</u>	<u>942,332.17</u>
COST OF REALISATIONS		
Administrators' Disbursements	NIL	121.63
Administrators' Fees	18,107.53	33,107.53
Bank Charges	NIL	75.00
Bordereau	44.50	260.50
Contract Completion Costs	NIL	7,414.55
Legal Expenses	NIL	4,086.50
Legal Fees	750.00	52,876.00
Legal Fees & Expenses-Hill Dickinson	NIL	914,101.77
Pre Administrators' Disbursements	NIL	142.07
Pre Administrators' Fees	NIL	3,500.00
Professional Fees	NIL	1,700.00
Stationery & Postage	30.22	1,656.15
Statutory Advertising	NIL	84.60
Storage Costs	75.00	75.00
	<u>(19,007.25)</u>	<u>(1,019,201.30)</u>
	<u><u>(18,988.12)</u></u>	<u><u>(0.00)</u></u>

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

Proposals deemed approved under Rule 3.38(4) of the Insolvency (England and Wales) Rules 2016 (as amended)

Purpose of the Administration

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

For the reasons set out in this report, we presently consider that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph 3(1)(a) and 3(1)(b), and consequently the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(c), namely realising property in order to make a distribution to one or more secured or preferential creditors. Furthermore, we consider that pursuing this objective should not unnecessarily harm the interests of the creditors of the Company as a whole.

In order that the purpose of the administration may be fully achieved, we propose to remain in office as administrators in order to finalise collection of the Company's debtor book and carry out our investigation into the affairs of the Company. Following these events we propose to finalise distributions to the secured creditor.

Exit from Administration

On present information we consider that the Company will have insufficient property to enable a distribution to be made to unsecured creditors. Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to implement the provisions of Paragraph 84 of Schedule B1 to the Act. Under these provisions, on the registration of a notice sent by us to the Registrar of Companies, our 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.

Discharge from Liability

It is proposed that pursuant to Paragraph 98(2)(b) of schedule B1 of the Act, the Joint Administrators be given their full discharge from liability in respect of any action as Administrator with effect from the date when their appointment as Joint Administrators' ceases to have effect.

COSTS AND EXPENSES

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 18 April 2023 to 10 May 2023; and
- c. Cumulative Time Costs Analysis for the period from 13 November 2015 to 10 May 2023 .

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance² indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

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

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

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

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

Best practice guidance classifies expenses into two broad categories:

- ❑ Category 1 disbursements (approval not required) - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ Category 2 disbursements (approval required) - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting;
- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a Category 1 disbursement) is charged on the basis that the number of standard archive boxes

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

² Ibid 1

held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates;

Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.

In addition to the services detailed above, it may become necessary to instruct Eddisons Commercial Limited to provide additional services, not currently anticipated, during the course of the case. In such circumstances and to avoid the costs associated with seeking further approval, the charges for such services will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows:

Grade of staff	Charge-out rate (£ per hour)
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a Category 1 disbursement:

- Telephone and facsimile
- Printing and photocopying
- Stationery

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

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

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Preston office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour) 1 May 2011 – 30 November 2018 until further notice
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

Grade of staff	Charge-out rate (£ per hour) 1 December 2018 – until further notice
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Support	140

Grade of staff	Charge-out rate (£ per hour) 1 January 2022 until further notice
Partner	545
Director	490
Senior Manager	435
Manager	380
Assistant Manager	275
Senior Administrator	240
Administrator	195
Junior Administrator	155
Cashier	155

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

Time is recorded in 6 minute units.

SIP9 Thomas Barnes & Sons PLC - Administration - 05TH494.ADM : Time Costs Analysis From 18/04/2023 To 10/05/2023

[illegible]

SIP9 Thomas Barnes & Sons PLC - Administration - 05TH494.ADM : Time Costs Analysis From 13/05/2015 To 10/05/2023

[illegible]

STATEMENT OF EXPENSES FOR THE PERIOD

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Legal fees	Gateley Legal	-	750.00	-
Stationery & Postage	Postworks and DPD		30.22	-
Storage Costs	Restore LLP	75.00	75.00	-
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
There have been no expenses incurred in this category during the period of this report.				

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Bond	AUA Insolvency Risk Services	260.50
Legal Fees	Napthens LLP Exchange Chambers Hill Dickinson CG Professional Ltd Gateley Legal TOTAL	9,092.50 1,750.00 27,283.50 10,000.00 4,700.00 52,876
Legal Fees & Expenses – Hill Dickinson	Hill Dickinson	914,101.77
Legal Disbursements	Napthens LLP Hill Dickinson CG Professional Ltd TOTAL	760.00 1,450.00 1,876.50 4,086.50

Professional Fees	Napthens LLP	1,700.00
Stationary & Postage	Royal Mail plc Postworks DPD	1,624.32 9.86 17.44
Statutory Advertising	Courts Advertising	84.60
Mileage	Dean Watson, Katy Payne and David Acland	121.63
Storage Costs	Restore LLP	75.00