

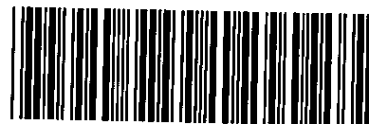
# AM03

## Notice of administrator's proposals



Companies House

SATURDAY



A22 \*A67BQTHS\* 27/05/2017 #291  
COMPANIES HOUSE

base

use

### 1 Company details

Company number 0 2 3 8 7 6 2 7

Company name in full D & I Building Services Ltd

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

### 2 Administrator's name

Full forename(s) Mark Elijah Thomas

Surname Bowen

### 3 Administrator's address

Building name/number 11 Roman Way

Street Berry Hill

Post town Droitwich Spa

County/Region Worcestershire

Postcode W R 9 9 A J

Country

### 4 Administrator's name

Full forename(s)

Surname

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

### 5 Administrator's address

Building name/number

Street

Post town


County/Region

Postcode

Country

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

AM03  
Notice of Administrator's Proposals

6		Statement of proposals	
		<input checked="checked" type="checkbox"/> I attach a copy of the statement of proposals	
7		Sign and date	
Administrator's Signature	Signature X		X 24.05.17
Signature date	d 2 d 4	m 0 m 5	y 2 y 0 y 1 y 7

## AM03 Notice of Administrator's Proposals



### 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	Justin Brown
Company name	MB Insolvency
Address	11 Roman Way
	Berry Hill
Post town	Droitwich Spa
County/Region	Worcestershire
Postcode	W R 9 9 A J
Country	
DX	
Telephone	01905 776771



### Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



### Important information

All information on this form will appear on the public record.



### Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.



### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)

**Chancery Division, Birmingham District Registry Court**

**No. 8091 of 2017**

**D & I Building Services Limited  
In Administration**

**THE ADMINISTRATOR'S PROPOSAL**

**Mark Bowen  
Administrator**

MB Insolvency  
11 Roman Way  
Berry Hill  
Droitwich  
Worcestershire  
WR9 9AJ

Telephone: 01905 776 771  
Email: mark@mb-i.co.uk

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## **1. Executive Summary**

- 1.1** This Proposal incorporates the Statement of the Administrators Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act attached at Appendix I.
- 1.2** The business was established in 22 May 1989 and the principal activity of the Company was heating and ventilation engineers, and traded from leasehold premises at 53 The Avenue, Rubery, Rednal, B45 9AL. On 4<sup>th</sup> April 2017, Mark Bowen of MB Insolvency was appointed Administrator of the Company by the Director.
- 1.3** As explained in more detail in the Statement of Proposals, the Administrator is currently pursuing the second statutory objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).
- 1.4** A summary of the current and anticipated future positions are detailed below.

### **Assets**

<b>Asset</b>	<b>Realisations to date</b>	<b>Anticipated future realisations</b>	<b>Total anticipated realisations</b>
Book Debts	66,976	217,215	284,191
Cash at Bank	22,325.60	0	22,325.60
Plant & Machinery/Office Equipment & Stock	3,600	0	3,600
Vehicles	6,500	0	6,500

### **Expenses**

<b>Expense</b>	<b>Expense incurred to date</b>	<b>Anticipated further expense</b>	<b>Total anticipated expense</b>
Administrators fees	27,531.50	72,113.05	99,644.55
Solicitors' fees	-	5,000.00	5,000.00
Agents' fees	3,500.00	-	3,500.00
Pension Advice	250.00	-	250.00
Employees Assistance	994.43	-	994.43

### **Dividend prospects**

<b>Creditor class</b>	<b>Distribution / dividend paid to date</b>	<b>Anticipated distribution / dividend</b>
Preferential creditors	Nil	100p/£
Unsecured creditors	Nil	0.9p/£

- 1.5** The Statement of Proposals at Appendix I provides explanations of the events leading to the Administration and the progress of the Administration to date, as well as other statutory information.

**1.6** This Proposal provides more detailed information on the work that the Administrator anticipates they will undertake to complete the Administration together with their proposed basis of fees. To put this request into context, this Proposal provides further information on the Administrators' costs to date, including the costs incurred prior to Administration. It also explains other matters for creditors' consideration, such as the proposed timing of the Administrators' discharge on conclusion of the Administration.

**1.7** Definitions of the terms used in this Proposal are provided in Appendix I together with all statutory information pertaining to the Company.

## **2. Statement of Pre-Administration Costs**

**2.1** On 27 April 2017 Mr. Stuart McGugan agreed with the proposed Administrator that MB Insolvency be paid fees for work done prior to the Administration on the basis of time costs incurred by the insolvency practitioners and their staff at their standard charge-out rates and related expenses for the following tasks and matters that were considered to be necessary to placing D & I Building Services into Administration.

**2.2** In conducting the above work, the following costs were incurred:

	£
MB Insolvency's time costs (see Appendix II)	9,942.50
MB Insolvency's disbursements	Nil
Agents' costs	1,500
Solicitors' costs	5,000
Accountant's Fees	1,000

**2.3** Attached at Appendix II is a breakdown of the time costs of the Administrator and their staff incurred prior to Administration and included within Appendix III are MB Insolvency's charge-out rates and bases of disbursements.

**2.4** All the above costs remain unpaid.

**2.5** The payment of the unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Rules and is not part of the Statement of Proposals subject to approval under Paragraph 53 of Schedule B1 of the Act. Further explanation of the approval process is provided in Section 9.

### **3. The Administrators Fees**

**3.1** The Administrator proposes to fix his fees on the following basis:

- (i) As a set fee
- (ii) As percentage of realisations in relation to the collection of book debts.

**3.2** Attached at Appendix IV is a breakdown of the time costs incurred in the Administration to 24 May 2017. The Statement of Proposals provides an account of the work undertaken to date and Appendix V provides a detailed list of work undertaken and proposed to be undertaken by the Administrator and their staff.

**3.3** The charge-out rates of the Administrator and their staff are detailed in Appendix III. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and claims being agreed.

**3.4** Creditors may access a Guide to Administrators' Fees at [https://www.r3.org.uk/media/documents/publications/professional/Guide to Administrators Fees Oct 2015.pdf](https://www.r3.org.uk/media/documents/publications/professional/Guide%20to%20Administrators%20Fees%20Oct%202015.pdf) or a hard copy will be provided on request.

**3.5** Further information is set out below and in the appendices to explain the future time costs that the Administrator anticipates incurring in this Administration.

### **4. The Administrators Expenses**

**4.1** The Administrators' expenses may be divided into two categories:

- Category 1 expenses are costs that can be specifically identified as relating to the administration of the case. These are charged to the estate at cost with no uplift. These include, but are not limited to, such items as advertising, bonding and other insurance premiums and properly reimbursed expenses. Legislation provides that administrators may discharge Category 1 expenses from the funds held in the insolvent estate without further recourse to creditors.
- Category 2 expenses are costs that are also directly referable to the appointment in question but not to a payment to an independent third party. Payments may only be made in relation to Category 2 expenses after the relevant creditors have approved the bases of their calculation.

**4.2** Appendix III provides details of the bases of Category 2 expenses that the Administrator proposes to recover from the insolvent estate.

### **5. Proposed Work to be Undertaken**



**5.1** Set out in Appendix V is a detailed list of tasks that the Administrator proposes that he and his staff will undertake. The most material tasks are summarised below. The Estimated Outcome Statement attached to the Statement of Proposals provides an overview of the financial benefit that this work is expected to bring to creditors.

**Administration (including Statutory Reporting)**

**5.2** The Administrator is required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration, which ensures that the Administrator and his staff carry out their work to high professional standards.

**5.3** Primarily, these tasks include:

- Meeting all statutory reporting and filing requirements, including 6-monthly reports, seeking an extension where necessary, and issuing a final report and notices;
- Consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;
- Maintaining case files, which must include records to show and explain the administration and any decisions made by the Administrator that materially affect the administration;
- Conducting periodic case reviews to ensure that the administration is progressing efficiently, effectively and in line with the statutory requirements; and
- Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments.

**Investigations**

**5.4** The Administrator examines the conduct of the Company and its directors prior to the Administration with two main objectives:

- To identify what assets are available for realising for the benefit of creditors, including any potential actions against directors or other parties, such as challenging transactions at an undervalue or preferences; and
- To enable the Administrator to report to the Insolvency Service on the conduct of the directors so that the Insolvency Service may consider whether disqualification proceedings are appropriate ("CDDA" work).

**5.5** In the early stages of the Administration, this work involves examining the Company's books and records, considering information received from creditors and the Company's accountants and seeking information from the Company's directors and other senior staff by means of questionnaires and/or interviews.

**5.6** In the event that questionable transactions are identified, it may be necessary to conduct further investigations and instruct solicitors to assist in deciding the Administrators next steps in pursuing a recovery. If a potential recovery action is

identified, it may be necessary to instruct professional agents in gathering evidence and in exploring further the existence and value of assets to target. If the Administrator encounters resistance in making a recovery, formal legal action may be appropriate.

- 5.7** In addition, if the Insolvency Service decides to proceed with a disqualification, the Administrator will be required to assist the Insolvency Service's investigators in their work, which may include providing the investigators with access to the Company's books and records and agreeing statements to be given in evidence of those proceedings.
- 5.8** At this early stage, it is difficult to estimate the likely time costs and expenses that may be incurred in this work. The Fees and Expenses Estimates presented below reflect the anticipated work in identifying potential causes of action. If any are identified and the Administrator considers that additional work is required, they may revert to the relevant creditors to seek approval for fees in excess of the estimate.

#### **Realisation of assets**

- 5.9** The Statement of Proposals summarises the work carried out by the Administrator to date in realising the Company's assets. The principal matters that require further work are:
- Continuing to pursue the Company's outstanding contractual book debts;
  - Establishing the sums due in respect of the directors' loans/inter-company balances and pursuing settlement of these;
  - Concluding a sale of the Company's chattel assets, which will involve determining the claims of retention of title; and
  - Dealing with assets subject to contract hire, lease agreements and hire purchase

#### **Creditors (claims and distributions)**

- 5.10** As the Statement of Proposals explains, there a number of different classes of creditor involved in the Administration that require the Administrators attention. In particular, the Administrator anticipates conducting the following key tasks:
- Assisting the employees to receive payments from the RPO and liaising with the RPO to agree its claim;
  - Reviewing claims submitted by the tax departments and, where it is appropriate, examining the Company's records to appeal assessments or adjudicate on the Crown's claims;
  - Responding to creditors' queries and logging their claims and supporting information;
  - Maintaining the database as regards creditors' contact details and claims;
  - Dealing with a creditors' committee, if one is appointed;

- Agreeing employee claims, calculating and paying a distribution to preferential creditors, if there are sufficient funds, and paying the subsequent PAYE/NI deductions to HMRC;

## **6. Other Information to Support the Proposed Fees**

**6.1** Attached at Appendix V is an estimate of the time that the Administrator envisages the above work will take to complete. Appendix V also provides the estimate of the expenses that have been or are likely to be incurred.

**6.2** Please note that the estimates have been provided on the assumptions given below. In the event that it proves necessary for the Administrator to incur additional expenses in performing his duties, he will provide further details in his progress reports, but there is no statutory obligation to ask creditors to approve any adjusted Expenses Estimate. In the event that the Administrator incurs time costs in excess of the Fees Estimate, they will only revert to the relevant creditors for approval if they propose to draw any fees in addition to those estimated from the insolvent estate.

**6.3** In summary, the Administrator proposes that part of their fees be fixed on a set fee basis of £60,435. This estimate includes the time spent to date of £27,532, as described in Appendix IV.

**6.4** The Fees and Expenses Estimates have been compiled on the assumptions set out below. Please note that these are assumptions only for the purposes of preparing the Estimates in accordance with the statutory provisions. It has been assumed that:

- investigations to the extent described in section 5 above will be carried out;
- given the nature of the book debts it is envisaged that there will be a significant proportion of time spent on the collection of the debtor ledger. A significant amount of outstanding monies relate to large contractual debts and it is anticipated that time will be spent liaising with Higgs and Sons, the main contractor, and the director of the company in order to try and agree the final accounts;
- there will be no requirement to hold a physical creditors' meeting or additional decision procedure to consider the matters covered by this Proposal; and
- there will be no need to extend the Administration

**6.5** On the basis of these assumptions, the Administrator does not anticipate that it will be necessary to seek additional approval from the relevant creditors for fees in excess of the Fees Estimate. However, in the event that the Administration does not proceed as envisaged, the Administrator will seek approval for any fees in addition to those estimated that they wish to draw from the insolvent estate.

**6. Other Information to Support the Proposed Fees**

- 6.1** Appendix V provides the Administrators estimate of the expenses that have been or are likely to be incurred.
- 6.2** Please note that the estimate has been provided on the assumptions given below. In the event that it proves necessary for the Administrator to incur additional expenses in performing their duties, they will provide further details in their progress reports, but there is no statutory obligation to ask creditors to approve any adjusted Expenses Estimate.
- 6.3** In summary, the Administrator proposes that their fees in relation to the collection of the book debts be calculated at a percentage of realisations. See Administrators fee proposal in Appendix II.
- 6.4** Fixing the Administrator's fees in this way provides creditors with certainty as regards the fees irrespective of developments in the Administration (although the Administrator has a statutory right to seek creditors' approval to adjust the fee in the event that circumstances change materially) and, if the Administrator was to charge his fees on the alternative basis of time costs incurred by him and his staff, it is very likely that this would result in a fee at least equal to, and likely in excess of, that proposed. On this basis, the Administrator considers the proposed fee basis to be a fair and reasonable reflection of the work that he proposes to undertake.

**7. The Administrators Discharge**

- 7.1** The Act requires that the timing of the Administrator's discharge from liability will be decided by the preferential and unsecured creditors. The Administrator proposes that this discharge will take effect when their appointment ceases to have effect, unless the court specifies a time.

**8. Invitation to Form a Creditors' Committee**

- 8.1** Attached at Appendix VIII is a Notice of Invitation to Form a Creditors' Committee. The purpose of the Committee is to assist the Administrator in discharging his functions. In particular, a Creditors' Committee takes on the responsibility for approving the basis of the Administrator's fees and other costs described above.
- 8.2** In the absence of a Committee, this responsibility falls to the preferential and unsecured creditors. The Administrator does not see a need for a Committee to be formed in this case.
- 8.3** Notwithstanding this, creditors are entitled to seek the formation of Committee, provided that there are sufficient nominations to form a Committee. At least three nominations would be required and the requisite majority of creditors would also need to object to the proposed decision not to form a Committee. Appendices VII and VIII provide further information on these steps.

**9. Approval Process**

**9.1** The Administrator is seeking creditors' approval of the proposed decisions set out below by means of a vote by correspondence. Creditors are invited to vote on these proposed decisions by completing and returning the enclosed voting form together with a proof of debt form, if one has not already been submitted. These forms are attached at Appendix VII together with a Notice of Decision Procedure setting out the following proposed decisions:

- That the Administrator's fees be fixed by reference to a set fee of £60,435, plus as a percentage in relation to the collection of book debts.
- That the Administrator be authorised to recover all Category 2 disbursements, calculated on the bases detailed in MB Insolvency's Summary; and
- That the unpaid pre-Administration costs set out in the Administrators Proposal be approved.

**9.2** The Administrator must receive completed forms by no later than **23.59 on 12 June 2017** to enable your vote to be counted.

**9.3** Whilst a vote by correspondence is being sought, creditors who meet a statutory threshold as set out in the Notice attached at Appendix VII can require that a physical meeting of creditors be convened. Such a request must be made to the Administrators within 5 business days of the date on which this Proposal was delivered. If you wish to request a physical meeting, please set out in writing which of the decision(s) above you wish the meeting to consider.

If any creditor has any queries in relation to the above, please do not hesitate to contact the Administrator or Justin Brown, on 01905 776 771 or by email to [justinbrown@mb-i.co.uk](mailto:justinbrown@mb-i.co.uk).

**Dated this 24 May 2017**



**Mark Bowen**  
**Administrator**

Mark Bowen was appointed Administrator of D & I Building Services Limited on 4 April 2017. The affairs, business and property of the Company are managed by the Administrator. The Administrator acts as an agent of the Company and contract without personal liability.

**D & I Building Services Limited (In Administration)**

**STATEMENT OF THE ADMINISTRATORS PROPOSALS  
PURSUANT TO SCHEDULE B1 OF THE INSOLVENCY ACT 1986**

**Chancery Division, Birmingham District Registry Court  
No. 8091 of 2017**

**D & I Building Services Limited  
In Administration**

**STATEMENT OF THE ADMINISTRATORS PROPOSALS  
PURSUANT TO SCHEDULE B1 OF THE INSOLVENCY ACT 1986**

**Mark Bowen  
Administrator**

MB Insolvency  
11 Roman Way, Berry Hill, Droitwich, Worcestershire, WR9 9AJ  
01905 776 771  
mark@mb-i.co.uk

**Disclaimer Notice**

- This Statement of Proposals has been prepared by Mark Bowen the Administrator of Administrator, solely to comply with his statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of his proposals for achieving the purposes of the Administration and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- Any estimated outcomes for creditors included in this Statement of Proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.
- Any person that chooses to rely on this document for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Administrator does not assume any responsibility and will not accept any liability in respect of this Statement of Proposals.
- The Administrator acts as an agent for D & I Building Services Limited and contract without personal liability. The appointment of the Administrator is personal to them and, to the fullest extent permitted by law, MB Insolvency does not assume any responsibility and will not accept any liability to any person in respect of this Statement of Proposals or the conduct of the Administration.
- All licensed Insolvency Practitioners of MB Insolvency are licensed in the UK to act as Insolvency Practitioners.

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**Attachments**

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- D Estimated Outcome Statement**
- E The Administrators Receipts and Payments Account to 24 May 2017**



## **1. Introduction**

- 1.1** This Statement of Proposals is prepared pursuant to Schedule B1 of the Act in relation to the Company, the purposes of which are to provide creditors with a full update as to the present position and to set out the Administrators proposals for achieving an Administration objective.
- 1.2** The Statement of Proposals also includes information required to be provided to creditors pursuant to the Rules. Definitions of the terms used in the Statement of Proposals are provided in Attachment A and statutory information pertaining to the Company is set out in Attachment B.
- 1.3** This Statement of Proposals is being delivered to creditors on 24 May 2017. Creditors are invited to decide whether to approve the Administrators proposals. Section 8 provides further details on this decision process.

## **2. Background to the Company**

- 2.1** D&I Building Services Limited ('D&I') was incorporated 22 May 1989 by James McGugan, who operated as a sole trader, Joined by John Bayliss on 12th January 1995 the company traded as a medium sized commercial type mechanical services sub-contractor working for principle main contractors in the public sector education and health care.
- 2.2** Stuart McGugan join the company in 1992 after leaving school as a mechanical engineer apprentice and in 2008 received a 5% share from Mr J Bayliss and Mr J McGugan and the position of Contracts Director responsible for managing and delivering larger value contracts.
- 2.3** In February 2010 with the turnover now at £7m an internal management buyout was concluded which resulted in Stuart McGuggan taking 100% shareholding with Mr Bayliss and Mr J McGugan retiring from the business with immediate effect.
- 2.4** Whilst the company was trading in difficult financial climate the turnover peaked in 2010 at £9m, however it typically averaged at £8m up to the date of cessation.
- 2.5** At this level the company traded mainly with principle contractors but also with direct client small value works, with orders ranging from £1000 to £2,000,000. All engaged works were within the public sector of education and health care.
- 2.6** The larger sub-contract packages were undertaken with the likes Galliford Try Construction and Partnerships, Interserve, and Clegg construction, whilst the medium value works were undertaken with clients such as AM Griffiths, William Gough GTH Construction. The small value works were completed for the likes of University of Birmingham, Aston Martin, Royal Wolverhampton New Cross Hospital and Cannock Chase Hospital.

- 2.7** The proposed draft accounts for October 2016 showed the company at a break even position, moving into the next Quarter with estimated turnover for that quarter of circa £2.2m, this was mainly made up of three major contracts Cygnet Health Care for Coventry Clegg construction, Wolverhampton University ST&P for Clegg construction and RCDM Longbridge for Galliford Try Partnerships.
- 2.8** In February 2017 it was established that the same quarter indicated a trading loss of £200k, of this £150k as a result of a completed contract at The Mail Box not realising final account expectations.
- 2.9** Two of the larger projects for Clegg Construction were due to be completed at the end of January 2017 however issues with construction and availability of works to complete resulted in litigation and a subsequent under certification of payments against the company's claims. Clegg Construction advised that liquidated and ascertained damages (LADs) were being levied by their client which intern would be issued against D&I, on top of their considerable contra charges.
- 2.10** The project at Wolverhampton University was due for completion in February 2017 but this had failed due to construction issues and delay notices were issued to D&I together with considerable under certification of the February account of circa £110,000, accompanied by a notice of intention to issue LADs.
- 2.11** In order to ascertain the trading position the company produced a cash flow forecasts for the coming months. Despite the company having work in progress that would allow the business to trade up to the close of March 2017, confirmed future orders of £500,000 and further contracts valued at £1,000,000 starting in April and May 2017, the cash flow forecast showed that the level of overheads could not be sustained with this level of trading in the short term. This coupled with the anticipated trading loss and disputed accounts with Clegg Construction left the company with no choice but to seek professional advice.
- 2.12** With the guidance of the company accountants MB Insolvency were contacted to provide some advice regarding the viability of the company. Following a meeting with MB Insolvency on 22 March 2017 it was decided that the company should file for Administration.

#### **Overview of Financial Information**

- 2.13** Extracts from the unaudited accounts for the 12 months to 31 July 2015 and comparatives for year ended 31 July 2014 are shown below.
- 2.14** Please note that this information has not been verified by the Administrator or by MB Insolvency. Furthermore, the comments below each table reflect management's explanations of the amounts included in the profit and loss account and balance sheet.

**Summary Profit and Loss Account**

	<b>Unaudited Accounts for year ended 31 July 2015</b>	<b>Unaudited Accounts for year ended 31 July 2015</b>
	<b>£</b>	<b>£</b>
Turnover	9,397,548	7,647,189
Cost of Sales	(8,842,060)	(7,209,170)
Gross Profit	555,488	438,019
Other Expenses	(396,089)	(327,533)
Other Operating Income	1,120	2,240
(L)/EBIT	160,519	112,726

**Summary Balance Sheet**

	<b>Unaudited Accounts for year ended 31 July 2015</b>	<b>Unaudited Accounts for year ended 31 July 2015</b>
	<b>£</b>	<b>£</b>
Tangible assets	45,497	26,172
Fixed assets	45,497	26,172
Current Assets		
stock	20,000	-
debtors	3,051,246	2,358,608
Cash at bank	156,266	46,069
	3,273,009	2,430,849
Liabilities		
Trade creditors	(3,038,970)	(2,313,354)
Other	(23,229)	(4,467)
Total Liabilities	(3,062,199)	(2,317,821)
Net Assets	210,810	113,028

### **Management and Employees**

**2.15** As at 4 April 2017 the Company employed approximately 29 staff.

**2.16** Statutory information on the Company, including details of the Directors, Company Secretary, and Shareholders is provided at Attachment B.

### **3. Events leading to the Administration**

**3.1** On 22 March 2017 Mark Bowen and Justin Brown of MB Insolvency met with the director of the company to consider the options open to the company. At that meeting it was agreed that the company was not viable going forward.

**3.2** Due to the increasing pressure from various trade creditors and the imminent threat of creditor enforcement action it was considered that filing a Notice of Intention ('NOI') and the gaining of an interim moratorium would provide the company with the immediate protection it required.

**3.3** In addition to the creditor pressure, the company was in a position to pay employees weekly wages payable on the following Friday.

**3.4** The director signed a NOI to appoint Mark Bowen of MB Insolvency as Administrator, which was filed in court on Monday 24<sup>th</sup> March 2017.

**3.5** The director subsequently made the majority of the workforce, apart from 3 administrative staff, redundant on the same day. The 3 members of staff were retained in order to bring the company's accounting records up to date and to process various bills and applications for works that had been completed in the week preceding cessation.

**3.6** The NOI was also served on National West Minster Bank Plc as a qualifying floating charge holder ('QFC') on the same date.

**3.7** Following the expiry of the statutory notice period in which any QFC can oppose the notice of intention, Mark Bowen of MB Insolvency was appointed Administrator of the Company on 4<sup>th</sup> April 2017.

**3.8** For creditors' general information, the EC Regulation on insolvency proceedings applies in this case, and these proceedings are the main proceedings.

### **4. The Purpose of the Administration**

**4.1** The purpose of an Administration is set out in Schedule B1, Paragraph 3(1) of the Act. In short, this provides that an Administrator of a company must perform his functions with the objective of:

- rescuing the company as a going concern, or

- achieving a better result for the creditors as a whole than would be likely to be achieved if the company were wound up (without first being in Administration), or
- realising property in order to make a distribution to one or more secured or preferential creditors.

**4.2** These objectives form a hierarchy. The rescue of a company is the priority. If this is not possible, the Administrator seeks to achieve a better result for the creditors as a whole. In the event that this cannot be achieved, then the Administrator is permitted to realise assets for the benefit of the preferential or secured creditors.

**4.3** The Administrator would comment that objective 1 was not achievable due to a lack of working capital and the cessation of trading prior to appointment, the Administrator did not consider it possible to restructure the existing business or propose a Company Voluntary Arrangement.

**4.4** The second objective is normally achieved by means of a sale of the business and assets as a going concern (or a more orderly sales process than in liquidation). The Administrator would comment that the Administration has enabled a more secure and controlled sale of assets and book debt collection, whilst at the same time providing a moratorium against creditor action. Whilst the Administrator believes that there will be a dividend to unsecured creditors in this matter, this will ultimately depend on the successful collection of the outstanding books debts due to the company.

**4.5** Where the second objective also is not achievable the Administrator would comment that the third objective will be achieved through the sale of the Company's assets and by the collection of the Company's debtors.

**4.6** A detailed account of how the Administrator has sought to achieve the objective of the Administration is set out below.

## **5. Management of the Company's Affairs since the Administrators Appointment**

**5.1** Immediately upon appointment the Administrator undertook a review of the Company's affairs with particular regard to its financial and resource requirements. This assessment was carried out in liaison with the remaining management of the Company.

### **The sale of the Company's business and assets**

**5.2** Prior to Administration the company had been in negotiations with a third party who wished to acquire the share capital of the company. These negotiations advanced to such a stage that heads of terms were drawn up with a view to completion. Unfortunately the deal fell away as the incoming purchaser was not satisfied with financial figures provided by the company, which ultimately lead to both parties pulling out. The director had suggested that it would be likely that that the interested party would more than likely make an approach to the duly

appointed Administrator with a view to purchasing the business and assets of the company. Following the filing of the NOI indirect contact was made with the third party to ascertain if they still maintained a level of interest in the acquisition. Unfortunately they confirmed that they were no longer interested.

**Sales to connected parties**

- 5.3** There have been no sales of any of the Company's assets to connected parties since the Administrator's appointment.

**Assets remaining to be realised**

- 5.4** The Administrator has instructed MGR Appraisals Limited ('MGR'), who are professional independent agents with adequate professional indemnity insurance, to dispose of the Company's assets using the most advantageous method available.
- 5.5** The company owned various chattel assets. These assets were valued by MGR on both an in-situ, going concern basis and ex-situ forced sale basis. As a purchaser could not be sought to acquire the business and assets of the company the estimated to realise values fell in line with MGR's ex-situ valuation. The values attributed to those assets were as follows:

Asset	Book Value	Ex-Situ Value	Realised
Plant & Machinery / Fixtures & Fittings / Stock	11,986	1,600	3,600
Motor Vehicles	15,129	6,300	6,500

- 5.6** As at the date of appointment the company had cash at bank totalling £22,325.60. Shortly following appointment these monies were transferred to estate account.
- 5.7** On the Administrator's appointment, the value of the Company's sales ledger was £2,004,169. Given the nature of the company's business the majority of these debts were subject to contractual terms. As previously detailed in the main body of the report the larger contractors have either previously served the company with payment hold notifications, pay less notices or advised that the costs of completing the outstanding works would outweigh any balance that may be due under the contract.

Shortly following appointment Higgs & Sons LLP ('Higgs') were engaged to assist in the collection of the outstanding debtor book. Higgs were engaged due to their experience and knowledge general debt collection and in dealing with contractual disputes. Higgs will work on a commission basis of 8% of realisations in respect of the general collection of book debts, capped at a total fee of £15,000. This sum does not include any specialist advice or action required in relation to further perusal action in respect of contractual debts.

A detailed report has been received from Higgs which classifies the various debts due, which are as follows:

Classification of Debt	Book Value £	Estimated to Realise £
Applications subject to disputes	1,625,247	Nil
Clean Applications	89,292	66,969
Aged Retentions	136,789	102,592
Aged Debtors	152,840	114,630

#### Applications Subject to Dispute

These debts are subject to contractual disputes. Higgs have advised that significant correspondence has been received from the debtors advising that the appointment of an Administrator classifies as an insolvency event as per the terms of their contract with the company and therefore all works are terminated with immediate effect. Due to the company being in breach of its obligations they are engaging alternative contractors to complete the outstanding works which will be offset against any monies due to the company. It is therefore anticipated that no monies will be realised in this regard.

#### Clean Applications / Aged Retentions / Aged Debtors

A general provision of 25% has been applied to the remainder of the book debts to allow for various disputed debts, contra charges and write offs which are considered likely.

#### Post appointment strategy

- 5.8 The Administrator's staff are in the process of collating creditors' claims, including retention of title claims, and have handled creditors' queries as they have arisen which include telephone calls and correspondence.
- 5.9 The Administrators legal advisors, Higgs, have been assisting the Administrator with post appointment matters, contractual issues in relation to the books debts as detailed above and various retention of title claims.
- 5.10 Various motor vehicles were either financed or on hire purchase agreements. The Administrator's staff liaised with these funders and facilitated their collection.
- 5.11 As detailed above MGR were instructed by the Administrator to undertake inventories and valuations of stock, plant and equipment, fixtures and fittings and

other chattel assets where appropriate. The agents also advised on the best method of disposal of those assets and assisted in their disposal, as well as assisted with claims of retention of title and security. All chattel assets of the company have been realised.

**5.12** The Administrator has engaged Insol Financial Solutions Limited to assist in dealing with the company's stakeholder and auto enrolment pensions schemes.

**5.13** All the above professional fees (excluding debt collection & pension fees) are based upon the parties' recorded time costs incurred at their standard charge out rates and will be reviewed by the Administrators staff before being approved for payment.

**5.14** Asset Storage Limited have been engaged to remove, record and store all accounting records belonging to the company. The fees in this regard are charged on a per box basis at £50 per box for the life of the appointment, including disposal. Following appointment 30 boxes were removed from the company's trading premises.

**5.15** The company operated from a leasehold premises at 53 The Avenue, Rubery, Rednal, B45 9AL, with an attributed annual rental figure of £20,000. As at the date of cessation the company was a month in arrears with its rent. The premises have been vacated and the landlords managing agents have requested a formal surrender of the lease. At present the landlord's solicitors are in the process of preparing a deed of surrender for signature by the Administrator.

#### **Investigation into the Company's Affairs Prior to the Administration**

**5.16** The Administrator is undertaking a review of the Company's trading activities in order to establish whether or not there are actions that may be taken for the benefit of the Administration and consequently to enable a conduct report to be submitted in respect of Company directors in office at the commencement of the Administration and any who resigned in the three years prior to the Administration.

**5.17** Should any creditor have any concerns about the way in which the Company's business has been conducted or information on any potential recoveries for the estate, they are invited to bring them to the attention of the Administrator as soon as they are able.

### **6. The Statement of Affairs and the Outcome for Creditors**

**6.1** Due to lack of information the Director has been unable to prepare and submitted a signed Statement of Affairs. An Estimated Financial Statement of the Company, together with a list of the creditors, is attached at Attachment C for creditors' information. These details have been extracted from the Company's records and therefore no warranty can be given to the accuracy of the details given.



- 6.2** In accordance with the standard format of a Statement of Affairs, no provision has been made in the Statement for the costs of the Administration (including agents, legal and other professional fees).
- 6.3** The Administrator has not carried out any work of the nature of an audit on the information.

**Secured creditors**

As detailed above the company banked with National Westminster Bank Plc, who held a fixed and floating charge against the company. The charge was created on 18 May 2010 and registered on 22 May 2010. There was no indebtedness to the bank as at the date of cessation.

**Preferential claims**

- 6.4** A claim for unpaid pension contributions is also anticipated, although it is yet to be quantified. As previously disclosed Insol Financial Solutions Limited have been engaged to deal with the winding up of the pension schemes and finalising any claims for outstanding contributions.
- 6.5** Preferential claims relating to employee arrears of wages and holiday pay are expected to be paid by the RPO who will have a corresponding preferential claim against the Company. These are likely to be in the region of £24,006. There are no other known preferential claims outstanding.
- 6.6** Section 176A of the Act requires Administrators to make a prescribed part of the company's net property, which is the balance remaining after discharging the preferential claims but before paying the floating charge-holder, available for the satisfaction of unsecured debts.
- 6.7** In this case, the prescribed part provision does not apply, as there is no debt due to any secured creditor.
- 6.8** As demonstrated in the Estimated Outcome Statement attached at Attachment D, on the basis of the costs incurred to date and the estimated further costs to be incurred in bringing the Administration to a conclusion, it is anticipated that there will be sufficient funds to pay a distribution to preferential creditors, however any distribution to non-preferential unsecured creditor will depend on the successful collection of book debts due to the company. Due to the possible distribution to unsecured creditors, you are requested to submit claims to the address on the front of this report. A Proof of Debt form is provided in the document to which this forms an appendix.
- 6.9** Attached at Attachment D is the Administrators receipts and payments account for the period from 4 April 2017 to 24 May 2017.

## **7. The Administrators Fees**

- 7.1** The Administrator proposes to be remunerated, for all activities other than debt collection, on a set fee basis. The Administrator is proposing to be remunerated as a percentage of realisations in respect of book debt collection.
- 7.2** The Administrator will seek approval for the basis of this fees from the creditors, unless a Creditors' Committee is established.
- 7.3** Information to support the proposed basis of the Administrator's fees, together with the Statement of pre-Administration costs, is provided in the Administrators Proposal, to which this Statement of Proposals forms an appendix.

## **8. Approval of the Statement of Proposals**

- 8.1** The Administrator is seeking creditors' approval of the Statement of Proposals, which are summarised in Section 9, by means of a vote by correspondence.
- 8.2** Attached to the Administrators Proposal, to which this Statement of Proposals forms an appendix, is a Notice of Decision Procedure and a voting form, which describes how creditors may lodge a vote on the proposed decision to approve the Statement of Proposals and on the other proposed decisions.
- 8.3** Creditors who meet a statutory threshold as set out in the Notice can require that a physical meeting of creditors be convened. Such a request must be made to the Administrator within 5 business days of the date on which the Statement of Proposals was delivered.

## **9. Summary of the Administrators Proposals**

- 9.1** The Statement of Proposals which creditors are invited to consider, is summarised below.
- 9.2** In order to achieve the purpose of the Administration, the Administrator formally proposes to creditors that:
  - the Administrator continues to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular that:
    - (i) he continues to collect the outstanding book debts due to the company;
    - (ii) he investigates and, if appropriate, pursues any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and

(iii) he does all such things and generally exercises all his powers as Administrator as he considers desirable or expedient at his discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these activities.

- the Administrator makes distributions to any secured or preferential creditors in accordance with Paragraph 65 of Schedule B1 of the Act. Further, he may make a distribution to unsecured creditors, having first sought the court's permission in accordance with Paragraph 65(3) of Schedule B1 of the Act where necessary.
- the Administrator ends the Administration in one of the following ways, appropriate to the circumstances of the case at the time:
  - (i) in the event that the Administrator thinks that a distribution will be made to unsecured creditors (and they have not sought the court's permission, and are otherwise unable, to pay the distribution whilst the Company is in Administration), they shall send to the registrar of companies notice to move the Company from Administration to Creditors' Voluntary Liquidation. In such circumstances, Mark Bowen will be appointed Liquidator and will be authorised to in undertaking their duties as Liquidator. Creditors may nominate a different person or persons as the proposed liquidator or liquidators in accordance with Paragraph 83(7)(a) of Schedule B1 of the Act and Rule 3.60(6)(b) of the Rules, but they must make the nomination or nominations at any time after they receive the Statement of Proposals, but before it is approved. Information about the process
  - (ii) however, in the event that there is no remaining property that might permit a distribution to the Company's creditors, they shall file a notice of dissolution of the Company pursuant to Paragraph 84 of Schedule B1 of the Act; or
  - (iii) alternatively, and should there be no likely funds to distribute to unsecured creditors, the Administrator may seek to place the Company into Compulsory Liquidation in order to bring proceedings that only a Liquidator may commence for the benefit of the estate. In such circumstances, Mark Bowen may ask the court that they be appointed Liquidator, to act in undertaking their duties as Liquidator.

**Dated this 24<sup>th</sup> May 2017**

**Mark Bowen - Administrator**

Mark Bowen was appointed Administrator of D & I Building Services Limited on 4 April 2017. The affairs, business and property of the Company are managed by the Administrator. The Administrator acts as an agent of the Company and contract without personal liability.

**DEFINITIONS**

The Act	The Insolvency Act 1986
The Rules	The Insolvency Rules 1986 or the Insolvency (England & Wales) Rules 2016 (whichever applied at the time of the event described)
The Statement of Proposals	The Statement of the Administrators Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act
The Administrator	Mark Bowen
The Company	D&I Building Services Limited (in Administration)
The Court	High Court of Justice, Chancery Division, Birmingham District Registry
EBIT	Earnings before interest and tax
RPO	The Redundancy Payments Office
HMRC	HM Revenue & Customs
ROT	Retention of Title
EOS	Estimated Outcome Statement
PP or Prescribed Part	The Prescribed Part of the Company's net property subject to Section 176A of the Insolvency Act 1986
QFCH	Qualifying Floating Charge Holder
SIP	Statement of Insolvency Practice (England & Wales)
TUPE	Transfer of Undertakings (Protection of Employment) Regulations

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**D&I BUILDING SERVICES LIMITED (IN ADMINISTRATION)****STATUTORY INFORMATION**

Company Name	D&I Building Services Limited
Previous Name(s)	None
Trading Name(s)	None
Proceedings	In Administration
Court	High Court of Justice, Chancery Division, Birmingham District Registry
Court Reference	8091 of 2017
Date of Appointment	4 April 2017
Administrator	Mark Bowen, MB Insolvency, 11 Roman Way, Berry Hill, Droitwich, Worcestershire, WR9 9AJ
Registered office Address	c/o MB Insolvency, 11 Roman Way, Berry Hill, Droitwich, Worcestershire, WR9 9AJ
Company Number	02387627
Incorporation Date	22 May 1989
Appointment by	Mr. Stuart McGuggan
Directors at date of Appointment	Mr. Stuart McGuggan
Directors' Shareholdings	Mr Stuart McGuggan 250 Ordinary £1 shares

**D&I BUILDING SERVICES LIMITED (IN ADMINISTRATION)**

**ESTIMATED FINANCIAL STATEMENT AS AT 4 APRIL 2017 AND CREDITORS' DETAILS**

Insolvency Act 1986

D & I Building Services Ltd  
Estimated Financial Statement as at 4 April 2017

	Book Value £	Estimated to Realise £
<b>ASSETS</b>		
Plant & Machinery/Office Furniture/Stock	11,986.00	1,600.00
Motor Vehicles	15,129.00	6,300.00
Book Debts	2,004,169.00	284,191.00
Cash at Bank	22,325.60	22,325.60
		<u>314,416.60</u>
<b>LIABILITIES</b>		
<b>PREFERENTIAL CREDITORS:-</b>		
Arrears of Wages & Holiday Pay		24,006.00
		<u>24,006.00</u>
		290,410.60
<b>DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003</b>		
<b>OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS</b>		<u>NIL</u>
		290,410.60
Estimated prescribed part of net property where applicable (to carry forward)		<u>NIL</u>
		290,410.60
<b>DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003</b>		
		<u>NIL</u>
		290,410.60
Estimated prescribed part of net property where applicable (brought down)		<u>NIL</u>
		290,410.60
<b>Unsecured non-preferential claims (excluding any shortfall to floating charge holders)</b>		
Trade & Expense Creditors	1,283,859.68	
Employees	179,430.00	
HM Revenue & Customs	93,077.61	
		<u>1,556,367.29</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		<u>(1,265,956.69)</u>
		(1,265,956.69)
Issued and called up capital		
Ordinary Shareholders		(250.00)
		<u>(250.00)</u>
<b>TOTAL SURPLUS/(DEFICIENCY)</b>		<u><u>(1,265,706.69)</u></u>

**MB Insolvency**  
**D & I Building Services Ltd**  
**B - Company Creditors**

Key	Name	Address	£
CA01	A.B.A. Cranes Ltd	c/o HSBC Invoice Finance (UK), Farncombe Road, Worthing, West Sussex, BN11 2BW	3,470.40
CA00	A1 Flue Systems	Maun Way Boughton ind Est, New Ollerton, Nr Newark, NG22 9ZD	28,658.16
CA02	ABAX UK Ltd	Allia Business Centre, London Road, Peterborough, PE2 8AN	594.00
CA03	Ability Projects Ltd	The Fulcrum Centre, Vantage Way, Poole, Dorset, BH12 4NU	2,638.80
CA04	AES Control Systems	72 Tenter Road, Moulton Park, Northampton, NN3 6AX	1,426.97
CA05	Airedale International Air Conditioning Ltd	Leeds Road, Rawdon, Leeds, LS19 6JY	44,706.08
CA06	Airsun Systems Ltd	Unit 57 Basepoint Business Park, Oakfield Close, Tewkesbury, Gloucester, GL20 8SD	2,291.70
CA08	Airtech Commissioning Ltd	Elliot House, Elliott Road, Selly Oak, Birmingham, B29 6LS	12,405.19
CA07	Airtech Controls Ltd	Elliot House, Elliott Road, Selly Oak, Birmingham, B29 6LS	10,875.48
CA09	Allaway Acoustics Limited	1 Queens Road, Hertford, SG14 1EN	619.20
CA0F	Allstar Business Solutions Ltd	PO Box 1463, Windmill Hill, Swindon, SN5 6PS	0.00
CA0A	Aprico Ltd	1 Porthouse Business Centre, Bromyard, HR7 4FL	2,895.60
CA0B	Aqua Protect Ltd	11 Stock Wood Business Park, Stock Wood, Worcester, B96 6SX	880.12
CA0C	ARBOC Limited	222 Studley Road, Redditch, Worcester	564.00
CA0D	Argus Fire Protection	Hendglade House, 46 New Road, Stourbridge, West Midlands, DY8 1PA	2,527.62
CA0E	Atlas Copco Medical T/A Penlon	Telford Crescent, Staveley, Derbyshire, S43 3PF	1,560.00
CA0G	Automated Building & Energy Controls Limited	7 Miller Court, Severn Drive., Tewkesbury Business Park, Tewkesbury, Gloucestershire, GL20 8D	0.00
CB06	B O C Ltd	PO Box 12, Priestley Road, Worsley, Manchester, M28 4US	222.48
CB01	Beech Technical Services Ltd	198 Beaumont Road, Bournville, Birmingham, B30 1NX	180.00
CB02	Best Limited	The Priory, Stomp Road, Burnham, Buckinghamshire	1,467.00
CB04	Bham Air Cond	Lloyds Bank Commercial Finance, 116 Wellington St, Leeds LS1 4LT	15,088.68
CB03	Biddle Air Systems	C/O Attradius Collections, 3 Harbour Drive, Capital Waterside, Cardiff, CF10 4WZ	3,985.20
CB05	Birmingham Specialist Pipefitting Ltd	18 Woverley Road, Solihull, Birmingham, B92 9HN	18,205.80
CB07	Boyd & Co (Metal Works) Ltd	Chainbridge Road, Blaydon, Tyne & Wear, NE21 5SW	6,732.33
CB08	British Telecom	BT Payments Centre, Newcastle Upon Tyne, NE82 6XX	215.42
CB0B	British Telecom	BT Payments Centre, Newcastle Upon Tyne, NE82 6XX	0.00
CB09	Brookes (UK) Ltd	PO Box 352, Macclesfield, Cheshire, SK11 0WA	404.36
CB0A	Brookside Fire Services Ltd	30 New Road, Rubery, Birmingham, B45 9HU	108.00
CB00	Building Environment Control Ltd	Environment House, Turner Crescet, Loomer Road Industrial Estate, Newcastle-Under-Lyme, ST5 7JZ	408.00



**MB Insolvency**  
**D & I Building Services Ltd**  
**B - Company Creditors**

Key	Name	Address	£
CC01	C D Services UK Ltd	Unit 49a Premier Estate, The Leys, Brockmoor, Brierley Hill, DY5 3UP	5,274.00
CC0B	Caddy Recruitment Ltd		0.00
CC00	Cathedral Leasing Limited	300 Relay Point, Relay Drive, Tamworth, Staffordshire, B77 5PA	23.40
CC02	CFE Installations Ltd	108 Yardley Road, Acocks Green, Birmingham, B27 6LG	11,514.19
CC03	CIS Tax Control		2,325.00
CC04	Clarkson Controls Ltd	3 Mill Pool, Nash Lane, Belbroughton, Worcestershire, DY9 9AF	932.32
CC05	Compco Fire Systems	Cleeve House, Malvern Road, Worcester, WR2 4YX	1,020.00
CC0A	Condair PLC - JS Air Curtains	Artes Avenue, Rustington, Littlehampton, West Sussex, BN16 3LN	3,673.92
CC06	Connect Services (Plumbing & Heating) Limited	Unit 4 Belfront Trading Estate, Mucklow Hill, Halesowen, B62 8DR	11,592.00
CC07	Contour Castings Limited	Unit G Stafford Park 15, Telford, Shropshire, TF3 3BB	36,277.12
CC08	Contract Ductwork Services Ltd	The Old Surgery, 322 Kingstanding Road, Birmingham, B44 8JY	1,106.03
CC09	Coolair Equipment Ltd	Coolair House, Globe Lane, Dukinfield, Cheshire, SK16 4UJ	14,947.23
CD00	David Paradine (Electrical) Ltd	55 High Street, Cheslyn Hay, Walsall, WS6 7AD	9,273.59
CD01	Demma Controls Ltd	37/38 The Green, Castle Bromwich, Birmingham, B36 9AL	194,859.35
CD03	Direct Control Systems Ltd	City Court, 161 Hospital Street, Newton, Birmingham, B19 3XA	87,035.63
CD02	Direct Cooling Systems Ltd	152 Derby Road, Long Eaton, Nottingham, NG10 4AX	260.63
CD04	Ductbusters Limited	Prospect House, Victoria Road, Halesowen, West Midlands, B62 8HY	7,989.60
CD05	Ducting Installations Ltd	Six Oaks Farm, No3 Sandy Bank, Whixall, Shropshire, SY13 2NS	684.00
CE05	Eden Springs Ltd	Finance Office, 3 Livingstone Boulevard, Hamilton Int Tech Park, Blantyre, Lanarkshire, G72 0BP	14.04
CE00	Edmundson Electrical Ltd	Avon House, 435 Straford Road, Shirley, Solihull, B90 4AA	1,748.86
CE01	Electro-Graph Ltd	177 Lower High Street, Stourbridge, West Midlands, DY8 1TG	220.20
CE02	Elliott Group Ltd	Manor Drive, Peterborough, PE4 7AP	905.15
CE03	Environment Solutions	10 Charnwood Road, Great Barr, Birmingham, B42 1JR	320.00
CE04	Express Ventilation Services Ltd	Solveyworth Works, Woden Road, Park Village, Wolverhampton, WV10 0AU	15,318.00
CF00	Filterite Ltd	Harolds Court, Saxon Business Park, Bromsgrove, Worcester, B60 4FL	774.00
CF01	Fire Protection Ltd	Flamebar House, South Road, Harlow, Essex, CM20 2AR	4,175.86
CF02	Fixings Plus Ltd	1 Mill Street, Aston, Birmingham, West Midlands, B6 4BS	2,012.41
CF03	Flue-Stax Ltd	The Old Chapel, Chapel Street, Tingley, Leeds, WF3 1RE	2,180.02
CF04	Funding Circle	71 Queen Victoria Street, EC4V 4AY	0.00

**MB Insolvency**  
**D & I Building Services Ltd**  
**B - Company Creditors**

Key	Name	Address	£
CG00	G & A Mechanical Services Ltd	42 Hillview Road, Rubery, Rednal, Birmingham, B45 9HH	13,106.94
CG01	Gas Centre Ltd	Shire House, Unit 8 Highlands Road, Shirley, Solihull, B90 4LR	567.25
CG03	Graham The Plumbers Merchant	PO Box 7357, Glasgow, G51 9AB	22,022.32
CG02	GT Access Ltd	21 Sherwood Road, Aston Fields Industrial Estate, Bromsgrove, B60 3DR	912.00
CH00	Hamworthy Heating	Fleets Corner, Poole, Dorset	16,583.22
CH04	HMRC - CIs	Debt Management, Durrington Bridge House, barrington Road, Worthing, West Sussex, BN12 4SE	72,797.63
CH03	HMRC - PAYE	Debt Management, Durrington Bridge House, barrington Road, Worthing, West Sussex, BN12 4SE	20,279.98
CH01	Horne Engineering Ltd	PO Box 7, Rankine Street, Johnston, Scotland, PA5 8BD	8,661.60
CH02	Hostus Limited	22 Market Street, Bromsgrove, Worcester, B61 8DA	87.48
CC0C	HSBC/ Caddy Recruitment	21 Famcombe Road, Worthing, BN11 2BW	0.00
CJ00	Jewson Limited	c/o Begbies Traynor, National Creditor Services, Kendal House, 41 Scotland Street, Sheffield, S3 7BS	0.00
CK00	K B Engineering	7 Bloomfield Road, Tipton, West Midlands, DY4 9EU	181.49
CK01	KMJ Ventilation Ltd	31 York Avenue, Droitwich, Worcester, WR9 7DQ	8,168.94
CL00	Lewis Ventilation & Ducting Ltd	Unit 6 Mackenzie Way, Cheltenham, Gloucester, GL51 9TX	724.04
CL01	Lex Autolease Ltd	Heathside Park, Heathside Park Road, Stockport, Cheshire, SK3 0RB	670.09
CL02	Lindab Ltd	Units 9-10 Carousel Way, Rivers Business Park, Northampton, NN3 9HG	21,831.94
CL03	Link 2 Recruit Ltd	52a High Street, Erdington, Birmingham, B23 6RH	1,055.40
CL04	Lovair Ltd	Pavillion View, Unit 27 Newby Road Ind Est, Hazel Grove, Stockport, SK7 5DA	180.00
CM00	M & J Mahoney & Sons Ltd	1020 Old Lode Lane, Solihull, West Midlands, B92 8LJ	107.00
CM01	MEP Engineering Solutions Ltd	Northlands, Half Acre Lane, Whitechurch, Bristol, BS14 0JJ	2,640.00
CM02	Midland Medical Services Ltd	Unit 7 Droicon Trading Estate, Portway Road, Rowley Regis, West Midlands, B65 9BY	9,741.24
CM03	Mobile Mini Ltd	28 Falcon Court, Preston Farm Business Park, Stockton-on-Tees, TS18 3TX	345.60
CM04	MWA Technology Ltd	2 Wharton Street Ind Est, Neachells, Birmingham, B7 5TR	15,343.11
CN02	Nationwide Specialist Projects Ltd	Unit B High Way House, 250 Coombs Road, Halesowen, West Midlands, B62 8AA	911.96
CN01	Neville Lumb & Co Ltd	Credit Services, Old Fieldhouse Lane off Leeds Road, Huddersfield, HD2 1YS	14,378.97
CN03	Newey & Eyre	Eagle Court 2, Hatchford Way, Hatchford Brook, Sheldon, Birmingham, B26 3RZ	4,906.49
CN00	Nuair Ltd	C/O Attradius Collections, 3 Harbour Drive, Capital Waterside, Cardiff, CF10 4WZ	42,490.71

**MB Insolvency**  
**D & I Building Services Ltd**  
**B - Company Creditors**

Key	Name	Address	£
CP00	Paul Badger Pipelines Ltd	Pinley Farm, Pinley Road, Hatton, Warwick, CV35 8XQ	594.00
CP03	Premium Credit Limited	60 East Stret, Epsom, KT17 1HB	0.00
CP02	Pride Air-Conditioning Limited	161 Hospital Street, Newton, Birmingham, B19 3XA	720.00
CR00	Raj Jeyartnam	7 Scaife Road, Bromsgrove, West Midlands, B60 3SE	90.10
CR01	Red Rock Consultants Ltd	C/O Euler Hermes, 1 Canada Square, London, E14 5DX	6,510.00
CR02	Romero Uk Ltd	38 Cambridge Place, Cambridge, CB2 1NS	41,166.28
CS0B	S & J Pipework Installations Ltd	35A New Road, Armitage, Rugeley, Staffs, WS15 4AA	6,389.70
CS02	S & P Coil Products	SPC House, Evington Valley Road, Leicester, LE5 5LU	3,632.40
CS07	S F Recruitment Limited	S F Recruitment Ltd, S F House, 6 Millenium Way West, Phoenix Centre, Nottingham, NG8 6AS	864.00
CS01	SAS International Ltd	Parc Centre, Waterton Industrial Estate, Bridgend, Bridgend County Borough, CF31 3XU	6,168.04
CS03	Sauter Automation Ltd	Inova House, Hampshire International Business Park, Crockford Lane, Chineham, Basingstoke, RG24 8WH	0.10
CS04	Sav United Kingdom Ltd T/A SAV Systems	Scandia House, Boundry Lane, Woking, GU21 5BX	2,514.01
CS0H	Schneider Electric Ltd	Stafford Park 5, Telford, Shropshire, TF3 3BL	4,825.38
CS05	Ser-Tec Systems Ltd	Ser-Tech House, Aston Court Bromsgrove Tech Park, Bromsgrove, B60 3AL	3,022.80
CS06	Severn Trent Services Operations UK Ltd	Providence Row, Durham, DH1 1RR	4,704.00
CS08	SGM Mechanical Services Ltd	Unit 2 Tannery Road, Giltbrook In Park, Giltbrook, Nottingham, NG16 2WP	259.09
CS09	Shawston International Ltd	Office 35 The Forum, Tameside Business Park, Windmill Lane, Denton, M34 3QS	13,545.76
CS0A	SIG Commercial Drainage	C/O Begbies Traynor, Kendal House, 41 Scotland Street, Sheffield, S37BS	12,685.37
CS0C	Smith Brothers Stores Ltd	Unit V2 Winchester Avenue, Blaby, Leicester, LE8 4GZ	18,893.81
CS0D	Spek Noise Control Ltd	Units 8 & 9 The Stables, Elmhurst Business Park, Park Lane, Elmhurst, Lichfield, WS13 8EX	1,320.00
CS0E	Stacey Mechanical Services Ltd	37 Penkerville Street, Stoke On Trent, Staffs, ST4 5AL	444.60
CS0F	Stanford Marsh Ltd	Haycroft Works, Buckholt Drive, Wardon Business Park, Worcester, WR4 9ND	623.31
CS0G	Sureflame Heating Services	41 Waterside, Droitwich, WR9 8UL	216.00
CS00	Swegon Air Management	C/O Euler Hermes UK, 1 Canada Square, London E14 5DX	44,972.14
CT03	Tek Limited	14 Seeley's Road, Greet, Birmingham, B11 2LQ	2,416.22
CT02	TESGL Ltd T/A SSE Enterprise Energy Solutions	Ocean Court, Caspian Road, Altrincham, WA14 5HH	2,280.00
CT00	The BSS Group Ltd	BOSS Court, 7 Barton Close, Enderby, Leicester., LE19 1SJ	230,798.61

**MB Insolvency**  
**D & I Building Services Ltd**  
**B - Company Creditors**

Key	Name	Address	£
CT05	The Wilkes Partnership Solutions	41 Church Street, Birmingham, B3 2RT	12.00
CT04	Thermal Solutions Covers Ltd	18 Woodbury Close, Callow Hill, Redditch, B97 5YD	24,517.25
CT06	Triangle Fire Systems Ltd	Haywood Way, Hastings, TN35 4PL	1,331.99
CT01	Trimble T/A Amtech GroupLtd	Bank House, 171 Midsummer Boulevard, Milton Keynes, MK9 1EB	878.10
CU00	Ultimate Caffé Supplies	Unit 15 Evans Business Centre, Enterprise Close, Mansfield, Nottingham, NG19 7JY	90.00
CV01	Valco Services Ltd - In Liquidation	Milner Boardman & Partners, The Old bank, 187a Ashley Road, Hale, Cheshire, WA15 9SQ	8,923.01
CV03	Vent Vision T/A Youngs Extract Supplies	60 Gravely Ind Park, Erdington, Birmingham, B24 8TQ	312.38
CV02	Ventilation Grille Products Ltd	Unit 5 Broadcott Industrial Estate, Station Road, Cradley Heath, West Midlands, B64 6NT	5,709.12
CV00	Veolia ES UK Ltd	Unit 1 Holland Ind Est, Bentley Road South, Darlaston, West Midlands, WS10 8LN	9.60
CV04	VWFS Uk Ltd	Delaware Dr, Tongwell, Milton Keynes, MK15 8HG	466.93
CW00	Warmafloor (GB) Ltd	Concorde House, Concorde Way, Segensworth North, Fareham, PO15 5RL	6,912.00
CW01	Water System Solutions Ltd	21 Southfields Close, Coleshill, Warwickshire, B46 3EQ	734.40
CW02	William Gough & Sons Ltd	Tudor House, Moseley Road, Bilston, West Midlands, WV14 6JD	778.80
CW03	Wolseley Uk Ltd	c/o Restart BTI, 18 The Bridge Business Centre, Beresford Way, Cheterfield, Derbyshire, S41 9FG	56,066.89
CY00	Young Contracting Company (Holdings) Ltd	Radnor House, Radnor Street, Hockley, Birmingham, B18 5HP	2,256.56
<b>127 Entries Totalling</b>			<b>1,376,937.29</b>

**MB Insolvency**  
**D & I Building Services Ltd**  
**C - Shareholders**

Key	Name	Address	Pref	Ord	Other	Total
HS00	Mr Stuart McGugan	31 Balaams Wood Drive, Northfield, Birmingham, B315HF	0	250,000	0	250,000
<b>1 Entries Totalling</b>						<b>250,000</b>

**D&I BUILDING SERVICES LIMITED (IN ADMINISTRATION)**

**THE ADMINISTRATORS ESTIMATED OUTCOME STATEMENT AS AT 24 MAY 2017**

<b>D &amp; I Building Services Limited in Administration</b>					
<b>ESTIMATED OUTCOME STATEMENT</b>					
	<b>Book Value</b>	<b>Estimated to</b>	<b>Period</b>	<b>Future</b>	<b>Total</b>
	<b>£</b>	<b>Realise</b>	<b>04.04.17 to</b>	<b>Realisations</b>	<b>£</b>
		<b>£</b>	<b>24.05.17</b>	<b>£</b>	
			<b>£</b>		
<b>ASSETS SUBJECT TO FLOATING CHARGE</b>					
Plant & Machinery/Office Furniture & Equipment/Stock	11,986.00	1,600	3,600	-	3,600
Motor Vehicles	15,129.00	6,300	6,500	-	6,500
Book Debts & Retentions	2,004,169.00	284,191	66,976	217,215	284,191
Cash at Bank	22,325.60	22,326	22,326	-	22,326
	2,053,609.60	314,417	99,401	217,215	316,616
<b>PAYMENTS</b>					
Bordereau (statutory bond)		(1,040)	-	(1,040)	(1,040)
Administrator's pre appointment fees & expenses		(17,443)	-	(17,443)	(17,443)
Administrator's post appointment fees		(99,644)	-	(99,644)	(99,644)
Agent's fees & expenses (post appointment)		(3,500)	-	(3,500)	(3,500)
Mail Re Direction		(185)	-	(185)	(185)
Registered Office Fee		(125)	-	(125)	(125)
IPS Charge		(125)	-	(125)	(125)
Records Removal & Storage		(1,500)	-	(1,500)	(1,500)
Pension Fees		(250)	-	(250)	(250)
Insurance		(200)	-	(200)	(200)
Employees Assistance		(995)	-	(995)	(995)
Legal fees (post appointment)		(5,000)	-	(5,000)	(5,000)
Debt Collection Fees		(15,000)	-	(15,000)	(15,000)
Postage & Photocopying		(929)	-	(929)	(929)
Statutory Advertising		(69)	-	(69)	(69)
		(146,005)	-	(146,005)	(146,005)
<b>Available for preferential creditors</b>					<b>170,612</b>
Arrears of Wages		(11,704)	-	(11,704)	(11,704)
Arrears of Holiday Pay		(12,301)	-	(12,301)	(12,301)
<b>Net property</b>		<b>(24,005)</b>	<b>-</b>	<b>(24,005)</b>	<b>146,607</b>
Prescribed part of net property set aside for unsecured creditors		-	-	-	-
<b>Available for floating charge holder</b>					<b>146,607</b>
Floating Chargeholder - NatWest		-	-	-	-
<b>Available for Unsecured Creditors</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>146,607</b>
Prescribed Part B/fwd		-	-	-	-
		-	-	-	<b>146,607</b>

**D&I BUILDING SERVICES LIMITED (IN ADMINISTRATION)**

**THE ADMINISTRATOR'S RECEIPTS AND PAYMENTS ACCOUNT TO 24 MAY 2017**



**D & I Building Services Ltd**  
**(In Administration)**  
**Administrator's Summary of Receipts & Payments**  
**To 24/05/2017**

<b>S of A £</b>		<b>£</b>	<b>£</b>
	<b>ASSET REALISATIONS</b>		
1,600.00	Plant & Machinery/Office Furniture/Sto	3,600.00	
6,300.00	Motor Vehicles	6,500.00	
284,191.00	Book Debts	66,975.61	
22,325.60	Cash at Bank	22,325.60	
			99,401.21
	<b>COST OF REALISATIONS</b>		
	Employees Assistance	994.43	
	Insurance of Assets	200.20	
	Mail Redirection	185.00	
			(1,379.63)
	<b>PREFERENTIAL CREDITORS</b>		
(24,006.00)	Arrears of Wages & Holiday Pay	NIL	
			NIL
	<b>UNSECURED CREDITORS</b>		
(1,283,859.68)	Trade & Expense Creditors	NIL	
(179,430.00)	Employees	NIL	
(93,077.61)	HM Revenue & Customs	NIL	
			NIL
	<b>DISTRIBUTIONS</b>		
250.00	Ordinary Shareholders	NIL	
			NIL
<b>(1,265,706.69)</b>			<b>98,021.58</b>
	<b>REPRESENTED BY</b>		
	Bank 1 Current		100,041.58
	Vat Payable		(2,020.00)
			<b>98,021.58</b>

Mark Elijah Thomas Bowen  
Administrator

**D & I Building Services Limited (In Administration)**

**BREAKDOWN OF PRE-ADMINISTRATION TIME COSTS FOR MB INSOLVENCY**

**D & I Building Services Limited ("the Company") (In Administration)****Statement of the Administrator's pre-Appointment and pre-Administration costs**

This Statement summarises the position as regards all costs incurred by MB Insolvency in the period leading up to the administration of the Company. It includes the Administrator's statutory statement in accordance with the Insolvency (England & Wales) Rules 2016 ("the Rules") in relation to his pre-administration costs.

In the Letter of Engagement entered into between MB Insolvency and the Company dated 22 March 2017 the Company agreed that MB Insolvency would be remunerated on the basis of time necessarily spent at the firm's standard charging rates, together with any disbursements incurred, for services to be provided prior to the commencement of any formal insolvency proceedings.

The services subsequently provided fall into two parts:-

- Services provided *before* administration was confirmed as the best outcome for the creditors of the Company, and
- Services provided *after* administration was confirmed as the best outcome.

**Services provided before administration was confirmed as the best outcome**

MB Insolvency incurred time costs for services provided before administration was confirmed as the best outcome, such services consisted of the provision of generic insolvency advice to the Company and conducting an initial financial assessment of its position, based on alternative scenarios.

In respect of these costs MB Insolvency received no payment prior to the commencement of the administration however we propose to abate our time costs in this regard and they do not form part of the pre administration costs detailed below.

**Pre-administration costs**

Administration was identified as the best outcome for creditors on 22 March 2017 and the following further costs were incurred thereafter by the proposed Administrator and his staff, but before he was actually appointed:-

	Hrs	Rate*	£
• Preparatory work sufficient to enable the proposed administrator to confirm that at least one of the objectives of administration can be met.	5		
• Liaising with secured and/or major creditors and other stakeholders as appropriate	4		
• Preparing and lodging all necessary documentation to implement the administration procedure	5		
• <i>Collating information in regards to the company's affairs specifically relating to the company's assets &amp; liabilities &amp; employee information</i>	16		
• Assisting the Director with the formal notification of termination to			
• Employees, liaising with employees in regards to their statutory claims & preparing forms for submission to the RPO.	16.6		
<b>Total costs</b>	<b>46.6</b>	<b>213.35</b>	<b>9,942.50</b>

*This is a blended or average rate as different grades of staff were engaged in providing the services\**

The services provided were those required by law to assist the Directors to place the Company into administration. This work, of itself, was not of direct financial benefit to the Company's creditors but was necessary to meet statutory requirements.

The work actually done was as follows:

- Preliminary discussions and meetings with Wilkes Tranter & Co and the Director in relation to the Company's proposal to enter into administration
- Attendance at the initial Board meeting and obtaining instructions from the Company to assist the Director with the steps to be taken to place the Company into administration
- Discussing and issuing a formal Letter of Engagement to the Company in respect of the Services to be provided, and agreeing in principle the basis on which pre-administration fees, expenses and disbursements are to be charged and payable
- Confirming, in principle, that at least one of the statutory objectives of administration can be met
- Identifying, in principle, all parties who have the power to appoint an administrator
- Conducting preliminary searches as regards the Company and appropriate connected parties
- Confirming by enquiry whether any party has issued a winding up petition against the Company
- Dealing with ethical and regulatory formalities as regards the Company, its Director and beneficial owners
- Carrying out an initial appraisal of the Company's immediate and prospective short term financial position
- Establishing whether an appointment can be made out of Court or has to be made at Court
- Giving appropriate consideration to any taxation consequences of the proposed administration and its timing
- Acquiring a sufficient understanding of the nature of the Company's trading activities
- Giving consideration to whether in principle it is feasible to continue trading the Company following the making of the administration order
- Giving consideration to how any trading operations during the administration would be funded
- Giving consideration to the desirability of discussing the situation with key, secured and representative creditors
- Advising the Directors of any legal obligations they may have to consult with employees where there is a risk of redundancies and of the obligation to notify the Secretary of State where there are 20 or more employees
- Visiting the premises and familiarisation with their extent and the nature of any operations
- Giving consideration in principle to any potential regulatory or other issues such as environmental risk, fire safety and health and safety.
- Assisting the Director to deal with formal Notice of termination of employment to the Company's employees, and assisting the Employees in lodging their preferential and unsecured claims against the Company with the Redundancy Payments Office
- Setting the case up on the firm's practice management system
- Liaising with the Company's accountants as required
- Formal enquiries into the existence or otherwise of any Company pension scheme, as required by law
- Instructing agents MGR Appraisals, and Higgs & Sons solicitors, and liaising with them as particularised in the expenses summary (below)
- Confirming the location(s) of the Company's books and records, including its Statutory Registers and its electronic data, and taking steps to secure the same
- Identifying the extent of securities registered against the Company, differentiating between fixed and floating charges and where there competing securities, the priority ranking between them
- Procuring insurance cover for the Company's assets
- Giving consideration to public relations and other potential media issues

- Identifying and understanding key customer contracts in progress and the extent of the Company's retentions ledger
- Obtaining a full list of creditors' names, addresses and the amounts due from them
- Instructing solicitors to deal with all of the legal formalities for placing the Company into administration; liaising with them as appropriate
- Making contemporaneous written notes concerning all material advice given and decisions made, as required by the Insolvency Practitioner Regulations
- Signing Statutory Form 2.2B to confirm that one of the objectives of administration can be met
- Attending or being represented at the Board meeting where a resolution is passed to obtain the appointment of an administrator to the Company
- Checking all legal pre-appointment documentation drafted by solicitors before it is issued/lodged/served by them (as the case may be)
- Reviewing the company's book debt and retentions ledger and instructing Higgs & Sons Solicitors to assist with the collection.
- Liaising with employees who had been instructed by the Company prior to my appointment to assist the Administrator by bringing the company's book debt ledger up to date.

#### Pre-administration expenses and disbursements

In addition, the following pre-administration expenses and disbursements were incurred:-

Item	Provider	Pricing	Type	£
Asset valuation	MGR Appraisals	Time costs/disbursements	Expense	1,500
Solicitors - Appointment	Higgs & Sons	Time costs/disbursements	Expense	5,000
Accountancy/taxation support	Wilkes Tranter	Time costs/disbursements	Expense	1,000
<b>Total expenses</b>				<b>7,500</b>
Total Category 1				Nil
Total Category 2				Nil
<b>Total estimated expenses and disbursements</b>				<b>7,500</b>

Note 1: Some of our disbursements are apportioned costs ("Category 2 disbursements") and our tariff rates require specific approval from the Company's creditors. A schedule of our current disbursements rates is attached.

Note 2: All third party providers scheduled above are independent entities with whom MB Insolvency has an established but fully arms-length trading relationship.

Note 3: VAT is recoverable

#### Estimated expenses

The work performed by MGR Appraisals in preparing an inventory and valuation of the company's plant & machinery, stock and motor vehicles was essential in enabling me to determine that at least one of the statutory objectives of administration could be met.

Higgs & Sons dealt with the formalities of obtaining the administration appointment and the work performed by then also assisted mw with determining that at least one of the statutory objectives could be met.

The work performed by Wilkes Tranter & Co in providing financial information reduced the amount of time necessarily spent by me on that task, which has enabled me to reduce my estimated fee by at least that amount, due to their prior knowledge and experience of the Company's affairs.

#### Estimated disbursements

The cost of travelling reflects journeys to the Company's premises to obtain instructions and information from the Company. The proposed charging rate is as per our standard tariff however it is not intended to charge the associated mileage costs in this matter.

I did not incur any further pre appointment disbursements.

#### Other persons entitled to claim

I am unaware of any additional costs incurred by any other professionals qualified to act as an insolvency practitioner in respect of the Company. Should any such claims subsequently come to light, they will be dealt with in the manner provided for by the Insolvency Rules.

#### Summary

The total amount of the pre-administration costs for which I am seeking approval is:-

	£
Services of the Proposed Administrator	9,942.50
Proposed Administrator's Expenses and Disbursements	7,500
<b>Total</b>	<b>17,442.50</b>

#### Your approval

It is important that creditors have enough information about the services that we have provided to be able to assess the reasonableness of our costs of providing them. That is something that, ultimately, only creditors can determine. If you require a more detailed description of the specific pre-administration tasks that we have carried out, please let us know and we shall be pleased to provide it.

#### Not part of the Administrators' Proposals

Please note that my request for payment of pre-Administration costs is separate to and does not form part of my Proposals to creditors for the conduct of the administration.

**D & I Building Services Limited (In Administration)**

**BREAKDOWN OF THE ADMINISTRATORS TIME COSTS FROM 4 APRIL 2017 TO 24 MAY 2017**

## D & I Building Services Limited (In Administration)

### Summary of Remuneration for period 4 April 2017 to 24 May 2017

Classification of Work	Partner	Manager	Othe Senior Professionals	Assistant & Support Staff	Total Units	Time Cost £	Average Rate £/Hr
Stat Compliance / Admin & Planning	25.00	112.50		195.00	332.50	6,457.50	194.21
Investigations		61.00		86.00	147.00	2,335.00	158.84
Realisation of Assets	8.00	167.50		113.00	288.50	6,116.50	212.01
Creditors	15.00	382.50		174.00	571.50	12,622.50	220.87
Case Specific Matters					-		-
<b>Total</b>	<b>48.00</b>	<b>723.50</b>	<b>-</b>	<b>568.00</b>	<b>1,339.50</b>	<b>27,531.50</b>	<b>205.54</b>
Fees Drawn						-	

All time is recorded in units of six minutes. Therefore 1 unit equates to six minutes of time recorder

#### Charge out rates:

From 13 February 2013

Rates depend on the complexity of the case

Partner  
Managers  
Assistant Managers  
Senior Administrator  
Administrator  
Senior Assistant / Cashier  
Support Staff

£300  
£225 - £250  
£200  
£175  
£150  
£150  
£90

#### Standard Activity:

Administration & Planning

Statutory reporting and compliance  
Compliance with other regulatory requirements  
Case planning  
Administrative set up  
Appointment notification  
Maintenance of records

Investigations

Statement of Insolvency Practise 2 review  
CDDA Reporting  
Investigating antecedent transactions

Realisation of Assets

Identifying, securing, insuring assets  
Retention of title claims  
Debt collection  
Property, business and asset sales

Trading

Management of operations  
Accounting for trading  
On-going employees issues

Creditors

Communication with creditors  
Creditors claims (including employees)  
Other preferential creditors



**D & I Building Services Limited (In Administration)**

Summary of Disbursements for period 4 April 2017 to 24 May 2017

**Category 1 Disbursements**

	Incurred	Paid	Unpaid
	£	£	£
Bond	1,040.00	-	1,040.00
Advertising	69.00	-	69.00
Postage	230.75	-	230.75
Telephone			-
Car Mileage			-
Travel			-
Subsistence			-
External Room Hire			-
External Photocopying			-
External Records Removal	1,500.00	-	1,500.00
Mail Re-direction	185.00	185.00	-
Swear Fee			-
Land Registry Fees			-
Professional Fees			-
Other			

**Category 2 Disbursements**

	Incurred	Paid	Unpaid
	£	£	£
Photocopying / Printing	479.74	-	479.74
Registered Office Fee	125.00	-	125.00
IPS Charge	125.00	-	125.00
Mileage			-
Room Hire			-

**Category 2 Disbursement Rates**

Photocopying / Printing	£0.17 per sheet
Registered Office Fee	£125 per annum
IPS Charge	£125 per case
Mileage	£0.45 per mile
Room Hire	£60 per hour where held at MBI Offices

**D & I Building Services Limited (In Administration)**  
**Summary of Expenses for period 4 April 2017 to 24 May 2017**

**Nature of Expense**

	<b>Provider</b>	<b>Basis of Remuneration</b>
Agents & Valuers	MGR Appraisals	Time Costs plus Disbursements
Legal Advice - Debt Collection	Higgs & Sons	Commission Basis
Employees Assistance	Various	Fixed Fee based on hourly rate
Pension Advice	Insol Financial Solutions	Fixed Fee

**Expenses Incurred and Paid**

	<b>Incurred</b>	<b>Paid</b>	<b>Unpaid</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Agent / Valuers Fees	3,500.00	-	3,500.00
Pension Advice	250	-	250
Employees Assistance	994.43	-	994.43
Debt Collection	5,358.00	-	5,358.00

**D & I Building Services Limited (In Administration)**

**INFORMATION TO SUPPORT THE ADMINISTRATORS FEE PROPOSAL**

**D & I BUILDING SERVICES LIMITED IN ADMINISTRATION - ESTIMATED OUTCOME STATEMENT AS AT 24 MAY 2017**

**Incorporating the Administrator's statutory fees estimate and estimate of expenses**

Introduction

The services to be provided by the Administrator include those required by law and/or professional regulations to deal with the procedure, as well as the more obvious work to be done in realising and if feasible distributing the Company's assets, which is work done in the direct financial interests of creditors. Where the work I am describing is not of direct financial benefit to creditors but is necessary to meet statutory or other regulatory requirements, this is explained.

Estimated Outcome Statement

An Estimated Outcome Statement ('EOS') for the administration, which should be read in conjunction with all of the accompanying notes (which include the main assumptions on which it has been prepared), is as follows:-

<b>Assets</b>	<b>Note</b>	<b>Receipts</b>	<b>Projected</b>	<b>Total</b>
		£	£	£
Book Debts	1	66,976.00	217,215.00	284,191.00
Plant & Machinery/Equipment/Stock	2	3,600.00	-	3,600.00
Motor Vehicles	3	6,500.00	-	6,500.00
Cash at Bank	4	22,325.60	-	22,325.60
<b>Total known assets</b>	<b>A</b>	<b>99,401.60</b>	<b>217,215.00</b>	<b>316,616.60</b>
<b>Costs</b>				
Estimated expenses and disbursements	5	(14,076.00)	(14,842.00)	(28,918.00)
Proposed pre-administration costs	14	(17,442.50)	-	(17,442.50)
Administrator's proposed remuneration	15	(27,531.50)	(72,113.05)	(99,644.55)
<b>Total estimated costs (on assumptions stated)</b>	<b>B</b>			<b>(146,005.05)</b>
<b>Amount available for distribution</b>	<b>A - B</b>			<b>170,611.55</b>
Preferential claims				(24,006.00)
<b>Estimated surplus funds for a Liquidator</b>				<b>146,605.55</b>
Unsecured creditors				(1,556,368)
<b>Dividend in the £ - preferential</b>				<b>100p in £</b>
<b>Potential dividend in the £ - unsecured</b>				<b>9p in £</b>

As with all forms of insolvency proceedings, the associated costs and expenses must be paid first before there can be any return to creditors.

### **Dividend Prospects**

The EOS shows that there will be a dividend for unsecured creditors if the assets realise the amounts ascribed to them. This will be largely dependent upon the level of realisation in respect of the book debts and retentions.

It will be necessary for the Company to proceed into liquidation for unsecured claims to be formally agreed and a distribution paid by a Liquidator (as Administrator I do not have these powers unless I make an application to Court). Liquidation is the primary administration exit strategy dealt with in my Proposals.

### **Notes to the Estimated Outcome Statement**

#### **1 Book debts**

The Company's book debts & retentions have a net book value of £2,004,169. I have engaged Higgs & Sons Solicitors ('Higgs') in respect of their collection. The sum of £1,625,247 has been identified by Higgs as relating to applications that are in dispute or likely to be disputed. These have therefore not been included when calculating the estimated to realise value. I have attributed a general provision of 25% for the remainder of the ledger for the sake of prudence giving rise to an estimated to realise value of £284,191.

The collection of the book debts and retentions is still in the early stages therefore it is difficult to provide an accurate picture of what is estimated to be realised.

#### **2 Plant & Machinery/Office Equipment/Stock**

The above chattel assets were valued by agents MGR Appraisals ('MGR'). The saleable assets were subsequently removed from the company's trading premises and sold to third parties by MGR for the best offers received.

The Company also had items of equipment subject to finance. The leasing companies have been requested to collect their items.

#### **3 Motor Vehicles**

As per the above, the owned vehicles were valued and sold by agents MGR to third parties for the best offers received.

The Company had vehicles subject to finance and the leasing companies were requested to collect their vehicles.

#### **4 Cash at Bank**

As at the date of appointment the company's account held with NatWest was in credit. The credit balance was forwarded by NatWest upon appointment following my request.

## 5 Estimated expenses and disbursements

The information set out in the table below comprises the Administrator's estimate of expenses within the meaning of the Insolvency Rules (England & Wales) 2016. I am obliged at this early stage to estimate the nature and quantum of my expenses for the entire duration of the administration, based on information of which I am currently aware. In order to make this estimate I have therefore had to make a number of assumptions, which are described below.

As the administration progresses I may find that I am not obliged to incur certain of these expenses, or may be obliged to incur additional expenses. An updated position will be reported to creditors in my future progress report(s) and in the final report on the administration.

Estimated expenses and disbursements	Type	Note	Incurred £	Projected £	Total £
Legal fees – debt collection	Expense	6	5,358	9,642	15,000
Legal advice - investigations	Expense	7	-	5,000	5,000
Agent's advice –realisation	Expense	8	3,500	-	3,500
Records Removal & Storage	Expense	8	1,500	-	1,500
Pension Advice	Expense	8	250	-	250
Employees Assistance	Expense	9	995	-	995
<b>Total estimated expenses</b>			<b>11,603</b>	<b>14,642</b>	<b>26,245</b>
Assets insurance	Category 1	8	200	0	200
Insolvency practitioner bond	Category 1	10	1,040	0	1,040
Statutory advertising	Category 1	11	69	0	69
Postage	Category 1	12	231	100	331
Mail re Direction	Category 1		185	0	185
<b>Total Category 1</b>			<b>1,725</b>	<b>100</b>	<b>1,825</b>
Photocopying	Category 2	13	498	100	598
Registered Office Fee	Category 2		125	0	125
IPS Charge	Category 2		125	0	125
<b>Total Category 2</b>			<b>748</b>	<b>100</b>	<b>848</b>
<b>Total expenses and disbursements</b>			<b>14,076</b>	<b>14,842</b>	<b>28,918</b>

Note 1: Some of my disbursements are apportioned costs ("Category 2 disbursements"), which require specific approval from creditors. A schedule of our current disbursement rates is attached, together with a copy of a Guide to Administration Fees, which also includes details of creditors' rights.

Note 2: All third party providers scheduled above are independent entities with whom MB Insolvency has an established but fully arms-length trading relationship.

Note 3: VAT is recoverable

#### **6    Legal fees – debt collection**

As detailed above I have engaged Higgs to assist in the collection of book debts due to the company. Higgs will be remunerated on a commission basis of 8% of collections, capped at £15,000. This fee is for the general collection of debts, however should I require Higgs to provide more detailed advice in relation to the larger contractual debts, or commence proceedings then associated costs will be charge on a time cost basis. To date costs of £5,358 have been incurred.

#### **7    Legal advice – investigations**

I have a duty both to investigate the Company's affairs and to report on the conduct of its Directors. If my investigations were to find any transactions that might be capable of challenge in the interests of creditors, I might well need legal advice on how best to proceed. Should this be the case I propose that Higgs be instructed and that their cost be charged on a time cost basis.

#### **8    Agent's fees and assets insurance**

My agent's fees were incurred prior to my appointment and have been included in my request for approval of pre-administration costs (see paragraph 16).

My agents post appointment costs were incurred realising the company's chattel assets and removing all realisable assets from the premises. This included overseeing the removal of assets, dealing with finance companies and providing advice in relation to various retention of title claims.

Marsh Insurance were contacted to put in place asset insurance; this has now been cancelled following the sale of all realisable chattel assets and the premium paid.

Insol Financial Solutions Limited has been engaged to provide advice regarding the company's stakeholder pension scheme and the auto enrolment scheme.

Asset Storage Limited have been instructed to prepare an inventory of the company's accounting records, storage and destruction of the same.

I do not envisage incurring any further agents costs unless my investigations reveal further assets which need an agent's valuation.

#### **9    Employees Assistance**

Three members of the company's administrative staff were retained by the company following the filing of the notice of intention in order to assist in bringing the company's accounts up to date and to submit various applications and bills for the work carried out in the week prior to cessation.

#### **10   Insolvency Practitioner Bond**

The Insolvency Practitioner bond is a statutory cost. The premium due varies with the expected realisable assets in the estate. These premia are set by the Liquidator's underwriter. This bond amount is the amount due for estate realisations in the band £250,001 - £500,000.

Were estate realisations to exceed £500,000 an additional premium would become payable.

#### 11 Statutory Advertising

I am obliged by Statute to advertise certain events arising during the administration my appointment as Administrator has been and Notice of the decision procedure to consider my proposals and fix the basis of my remuneration is in the course of being advertised. The costs estimate assumes no further adverts will be required.

Further notice will be required if, for example, I am obliged to convene a meeting of creditors later in the proceedings.

#### 12 Postal charges

The cost of providing circulars to creditors will be minimised by placing the documentation in a password protected web portal maintained by MB Insolvency, which will enable creditors to view, download and print reports as they require. Further to the notice to creditors on 8 May 2017, advising of the general use of website future reports will be uploaded to this website without further notice to members and creditors and the Administrator will not be obliged to deliver any such documents to any recipient of this notice unless it is requested.

Postal charges are set by the Royal Mail. Communicating with creditors is a statutory cost.

As you know, postal charges are set by the Royal Mail. Communicating with creditors is a statutory cost.

#### 13 Photocopying

The same principles arise as described in paragraph 11. Charges are payable to MB Insolvency.

The Administrator's expenses and disbursements are payable out of the assets of the Company in a statutory priority which means that they rank for payment ahead of the Administrator's own remuneration, on whatever basis that has been set, and ahead of any approved pre-Administration costs.

#### 14 Pre-administration costs

Full details of pre-administration costs incurred and my request for their approval in the sum of £17,442.50 are set out in Appendix II to this report. The amount requested has been incorporated into the EOS in order that creditors can understand their impact on the amount potentially available for distribution.

#### 15 Proposed basis of the Administrator's remuneration

The information set out in the table and narrative below incorporates the Administrator's fees estimate within the meaning of the Insolvency Rules (England & Wales) 2016.



I am permitted to seek fee approval, where I consider it appropriate, in stages or at 'milestones' in the conduct of the case, and am doing so specifically in this case in relation additional reports such as if it is necessary to extend the duration of the administration for a period in excess of 12 months.

I am also more generally permitted to revert to creditors for further fee approval should known matters develop in a manner that has not currently been foreseen, or should additional matters emerge.

I am entitled to seek approval to the basis of my remuneration on one or more of the following bases – my time costs, as a percentage of realisations and as a set fee. In this case I am seeking to be remunerated on two of these permitted bases, as a set fee and as a percentage of realisations. My proposals are summarised below. Please note in particular that the proposed projected fees for asset realisation will only arise in full if the assets realise the full amounts attributed to them in the EOS.

Proposed remuneration for the Administrator (please see assumptions)	Basis	Note	Incurred £	Projected £	Total £
Statutory Compliance, Admin & Planning	Set Fee	16	6,457.50	6,000.00	12,457.50
Asset realisation - Other	Set Fee	17.1	1,855.00	-	1,855.00
Asset realisation – Debtors	Percentage	17.2	4,261.50	34,948.05	39,209.55
Preliminary investigation & report	Set fees	18	2,335.00	5,165.00	7,500.00
Detailed investigation	Set fee	19	-	10,000.00	10,000.00
Creditors	Se fee	20	12,622.50	10,000.00	22,622.50
Future reporting to creditors – 2 reports	Set fee	21	-	6,000.00	6,000.00
Additional reports	Milestone	22	-	-	-
<b>Total</b>			<b>27,531.50</b>	<b>72,113.05</b>	<b>99,644.55</b>

#### 16 Statutory Compliance, Admin and Planning

I am seeking to be remunerated on a set fee for the time spent on initial matters in setting up the case, covering all work done since my appointment and to date, apart from that spent on realising the Company's assets.

This is broken down as follows:

##### Initial Case Set Up

The work done in setting the case up to date is:-

- Setting a written Strategy for the conduct of the case and communicating it to case staff (Professional Regulations)
- Making file notes of all material matters and decisions affecting the administration (Statutory cost)
- Setting the appointment up on the practice case management system (Professional Regulations)

- Reviewing and approving the initial case set up (Professional Regulations)
- Advertising the appointment in the London Gazette, (Statutory)
- Filing the appointment at Companies House (Statutory)
- Corresponding with a bank to open an administration bank account (Professional Regulations)
- Attending at the Company's premises to secure and remove the Company's records, including relevant computer data (Statutory)
- Preparing an inventory of the same (Professional Regulations)
- Returning the keys of the premises to the landlord and related correspondence
- Obtaining possession of all documents of title to the Company's assets, and copies of all finance and rental agreements
- Arranging insurance cover for the Company's assets, including correspondence with the Company's former brokers and with the Administrator's broker
- Notifying all other interested parties of the appointment – Company, shareholders, bankers, accountants, execution officers, solicitors, Courts, Debt Collectors, Debt Factor, HMRC departments, all QFCH holders, prior officeholders
- Advising the Directors formally of the cessation of their powers and various restrictions on their activities (Statutory)
- Taking possession of the Statutory books of the Company (Statutory)
- Changing the Registered Office of the Company and filing the same at Companies House (Statutory)
- Redirecting the Company mail to c/o MB Insolvency
- Performing a pensions search on the Pension Fund database (Statutory)
- Filing a s120 Notice with the Pension Protection Fund (Statutory)
- Dealing with telephone enquiries from Directors, Creditors and other third parties
- Returning details of the Insolvency Practitioner bond to the Administrator's broker and Regulatory Professional Body (Statutory)
- Liaising with creditors seeking to claim reservation of title
- Requesting the Estimated Statement of Affairs from the Directors of the Company
- Liaising with former employees regarding their claims
- Sending Conduct Questionnaires to all Directors and relevant former Directors (Statutory)

#### Future case planning and administration

As Administrator I will be obliged by Statute, the Insolvency Code of Ethics and Regulatory requirements (as well as commercial considerations) to adequately plan and administer the case throughout its conduct.

The work to be performed under this heading will primarily consist of periodic file reviews, record keeping (including the administration cash book) and other case management activities. All of this work is a Statutory or Regulatory requirement.

Based on my general knowledge and experience, I am proposing to be remunerated on the basis of a set fee for this work in the sum of £12,427. This fee assumes that the administration will be concluded within 12 months.

## 17 Asset realisation

### 17.1 Other Assets

As at the date of appointment the company had chattel assets which included, motor vehicles, stock, plant and machinery and fixtures and fittings. As detailed in the main body of the report I engaged MGR Appraisals to carry out an inventory and report detailing the company asset values and disposal strategy. All chattel assets were sold on an ex-situ basis. My costs in dealing with these assets totalled £1,855 and I am proposing that a set fee be fixed at that amount.

### 17.2 Book Debts

I propose to be remunerated on a percentage debtors realised. Given the nature of the debts significant time is being spent reviewing the contract files, applications, certifications, purchase orders and sales invoices. Charging on a time cost basis would see a significant charge to the estate and therefore I am proposing to be remunerated on a percentage basis as follows:

Realisation range	Percentage	Illustrative fee
£0 - £50,000	35%	£17,500
£50,001 - £100,000	15%	£7,500
£100,001 - £200,000	10%	£10,000
£200,000 - £284,191	5%	£4,209.55
Total		39,209.55

In the above table (and in the EOS) I am showing the potential fee if assets actually realise the estimated realisable amounts which are currently £284,191 in aggregate. If they fail to do so, the proposed available fee will fall pro rata with the realisations in accordance with the proposed formula. On the other hand, if book debt realisations exceed the estimate my remuneration will increase. Should realisations exceed the sum of £284,191 then I will continue to charge on a percentage basis of 5% for realisations thereafter.

## 18 Preliminary investigation and Statutory Report on the Directors' Conduct

Every Administrator is obliged to conduct a minimum, preliminary investigation into the conduct of the Company's Affairs prior to his appointment. The nature and extent of the investigatory work required is set out in Statement of Insolvency Practice 2. A copy can be found on the IPA website [www.insolvency-practitioners.org.uk](http://www.insolvency-practitioners.org.uk) in the Regulation and Guidance section]. This is a statutory requirement.

He is also required to send a report on the Conduct of each person who has been a Director of the Company in the three year period prior to the liquidation to the Department of Business Energy and Industrial Strategy. Please note that this is a confidential report which I am not able to share with creditors. This work is a further statutory requirement.

Details of the work required here are set out in Guidance Notes issued by the Department, a copy of which can be found at the Insolvency Service website [www.gov.uk](http://www.gov.uk) – search for 'Director Disqualification Guidance Notes'.

These are two quite separate mandatory activities, however there is a degree of overlap in terms of the work that needs to be done.

If the preliminary investigation reveals that there are no or insufficient potential further assets to pursue, I will report this to creditors in my next progress or final report. I will also confirm that my Report on Directors' Conduct has been issued.

I am proposing a set fee of £4,500 for the preliminary investigation and a set fee of £3,000 to cover the Report on Directors' Conduct.

## 19 Detailed investigation

If my preliminary investigation reveals that the Company may have historic transactions that can be challenged in the interests of creditors I will carry out further investigations into the merits of pursuing the transaction. Based on my knowledge and experience I am estimating that should I identify such transactions and seek to pursue them accordingly then my fees would be in the region of £10,000. Therefore should the requirement arise I am proposing to charge a set fee for this work of £10,000.

## 20 Creditors

As detailed in the main body of the proposals there were significant trade creditors in this matter as at the date of cessation. Since my appointment many additional creditors have been identified as not initially disclosed by the company. Therefore significant time has been spent reconciling these claims to the company records and also corresponding directly with the various creditors. To date the sum of £12,662.50 has been incurred and it is estimated that a further £10,000 will be incurred in this regard. I am therefore proposing to charge a set fee in this regard of £22,622.50.

## 21 Future reporting to creditors

Throughout the duration of the administration I will continue to report to the creditors of the Company, either on an individual basis (dealing with queries, paperwork, retention of title claims and collating claims for the subsequent attention of a Liquidator) or collectively (statutory reporting). I envisage issuing two further statutory reports, namely a six monthly progress report and my final report at the conclusion of the administration.

I am proposing to be remunerated on the basis of a set fee of £6,000 for this work.

If I am required to convene any further meetings of creditors, for example as a result of the matters dealt with in paragraphs 22 and/or 24 above, I will seek approval for any additional costs at that time.

If the duration of the administration appears likely to exceed 12 months I will be obliged to issue a further progress report to creditors seeking their agreement to its extension. In that event I will treat that as an additional milestone and will also seek approval for any additional costs at that time.

## 22 General

In every case where I am seeking to be remunerated on the basis of a set fee this is because it is the most straight forward approach for all parties to understand and has the further advantage of being a 'sum certain'. The activities described tend to recur in every appointment and the work that is likely to be required to be done is reasonably foreseeable.

In relation to my proposal to be remunerated on a percentage basis for the realisation of the Company's assets, this approach has the potential advantage for creditors that realisations after the original 100% band has been achieved will not be absorbed by realisation fees.

It is important that you have enough information about the services that I am going to provide as Administrator to be able to assess the reasonableness of my estimate of the costs of providing them. That is something that, ultimately, only you can determine. If you require a more detailed description of the specific tasks that I will be carrying out, please let me know and I shall be pleased to provide it.

In considering this request for approval for administration fees, it is most important for creditors to understand that:-

- (a) your approval acts as a cap on the basis of my remuneration and I am unable to draw any further remuneration without reverting to you and obtaining your express consent to do so. Any such request will be necessarily be accompanied by an updated EOS and a similarly detailed report and justification.
- (b) your approval to the basis of my remuneration does not necessarily mean that I will receive that implied level of remuneration. I can only be paid out of the assets of the Company and if these do not come in at or above the amounts anticipated then my remuneration may be severely restricted and I may have to perform significant work for which I will not be paid. The principal risk area in this case appears to be the recoverability or otherwise of amounts due to the Company.

## 23 Approval

It is vital to the conduct of the administration that the bases of my remuneration are approved by the creditors of the Company. I would therefore be most grateful if, after consideration of the matters set out in this report you could signify your decision (FOR or AGAINST) on the attached schedule of resolutions and return it to my office by the date specified, together with a note or proof of your debt (if this has not already been provided).



## **Practice fee and disbursement recovery policy**

### **Introduction**

The insolvency legislation was changed in April 2010 for insolvency appointments commenced from that time in order to allow more flexibility on how an office holder's fees are charged to a case. This sheet explains how we may apply the alternative fee bases. The new legislation allows different fee bases to be used for different tasks within the same appointment. The basis or combination of bases set for a particular appointment 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. Further details about how an office holder's fees are approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP9). A copy of the relevant circulation listed in reports to creditors and is also available upon request.

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 drawn and time costs incurred and will also enable the recipients to see the average rates of such costs. Under the new legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

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

### **Time cost basis**

This is the basis that we use in the majority of cases using charge out rates appropriate to the skills and experience of each 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. Cashiers, secretarial and support staff charge all the time they work as such work has not been allowed for in calculating the hourly rates charged by the partners and other staff. If such time were not charged our charge out rates for Partners and other staff would be approximately 20% higher. Time billed is normally subject to Value Added Tax (VAT) at the applicable rate (see below).

### **Staff allocation and the use of sub-contractors**

The office holder's general approach to resourcing assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.



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The case team will usually consist of partner, senior manager/manager and administrator. The exact case team will depend on the anticipated size and complexity of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Office holder's charge out rate schedule below provides details of all grades of staff.

With regard to support staff, the Office Holder advises that time spent by our Treasury department in relation to specific tasks on an assignment is charged.

The following services are being provided on this assignment by external sub-contractors:

Service	Service Provider	Fee Type / Amount	Cost to date
Pension Advice	Insol Financial Solutions	Fixed Fee	250
Records Removal & Storage	Asset Storage Limited	Fixed Fee	1,500

#### Charge out rates

Our charge out rates are reviewed periodically, our charge out rates are summarised below.

Charge out rates per hour effective from February 2013

Grade	Hourly Rate (£)
Insolvency Practitioner	300
Managers	225-250
Assistant Managers	200
Senior Administrator	175
Administrator	150
Senior Assistant/Cashier	150
Support Staff/Secretary	90

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. Each unit of time is 6 minutes. The work is recorded under the following categories:

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; case review; case progression meetings; and reporting on progress of the case to creditors and others.



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**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; 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 permit, paying dividends to creditors.

**Trading** - which includes work such as managing and controlling all aspects of the business; and maintaining financial records and information relating to that trading.

### **Percentage basis**

The new legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal. Different percentages can be used for different assets or types of assets. Where we would like to realise any asset or type of assets on a percentage basis we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

### **Fixed fee**

The new legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. Where we would like to charge a set amount for a task or different set amounts for different tasks we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

### **Value Added Tax**

The office holder's remuneration invoiced to the insolvent estate will normally be subject to VAT at the prevailing rate. The only exception to this is for services rendered in relation to Voluntary Arrangement assignments where a VAT Tribunal has ruled that such services are exempt supplies.

### **Agent's costs**

Charged at cost based on the amount billed by the Agent instructed, the term Agent includes:

Solicitors, Legal Advisors, Debtor recovery specialists

Auctioneers, Valuers, Accountants





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Quantity Surveyors

Estate Agents

Document Storage Agents

Other Specialist Advisors

### **Disbursements**

In accordance with Statement of Insolvency Practice 9 (SIP9) the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

**Category 1** expenses are directly referable to an invoice from a third party, which is either in the name of the estate or MB Insolvency; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are postage, mail redirection, travel, swear fee, company searches, land registry searches, statutory advertising, external meeting room hire, external storage, specific bond insurance and subsistence,.

**Category 2** expenses are incurred by the firm and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage.

The category 2 disbursements that MB Insolvency apply, when seeking recovery, are as follows;

<u>Type</u>	<u>Rate</u>
Photocopying	17p per sheet
Room Hire (where MB insolvency room is used for formal meetings with external parties)	£60 per hour
Registered Office Fee	£125 per annum
Mileage	60p per mile
Insolvency Practitioners System	£125 per case



### Professional advisors

On this assignment the office holder has used the professional advisers listed below. The Office holder has also indicated the basis of their fee arrangement with them, which is subject to review on a regular basis.

MGR Appraisals	Time Costs plus Disbursements
Higgs & Sons – Debt Collection	Commission Basis
Higgs & Sons – Legal Advice & Appointment Formalities	Time Costs plus Disbursements

The office holder's choice was based on his perception of the professional adviser's experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of his fee arrangement with them.

## **A CREDITORS' GUIDE TO ADMINISTRATORS' FEES**

### **ENGLAND AND WALES**

#### **1 Introduction**

- 1.1 When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees, explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the administrator and challenge those they consider to be excessive.

#### **2 The nature of administration**

- 2.1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:
- rescuing the company as a going concern, or
  - achieving a better result for the creditors as a whole than would be likely if the company were wound up (without first being in administration),
- or, if the administrator thinks neither of these objectives is reasonably practicable
- realising property in order to make a distribution to one or more secured or preferential creditors.

#### **3 The creditors' committee**

- 3.1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. Creditors will be invited to form a committee when a decision procedure is sought by the administrator or where the creditors are to consider the approval of the administrator's proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide information about the exercise of his functions.

#### **4 Fixing the administrator's remuneration**

##### **4.1 Basis**

The basis for fixing the administrator's remuneration is set out in Rule 18.16 of The Insolvency (England and Wales) Rules 2016, which states that it must be fixed:

- as a percentage of the value of the property with which the administrator has to deal,
- by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration, or
- as a set amount.

Any combination of these bases may be used to fix the remuneration, and different bases may be used for different things done by the administrator. Where the

remuneration is fixed as a percentage, different percentages may be used for different things done by the administrator.

#### **4.2 Advance information where remuneration not based on time costs**

Prior to the determination of the basis of remuneration, the administrator must give the creditors details of the work the administrator proposes to undertake, and the expenses he considers will be, or are likely to be, incurred. However, where the administrator proposes to take any part or all of his remuneration on a time cost basis, he must provide more detailed information in the form of a 'fees estimate', as explained below.

#### **4.3 Fees estimates where remuneration to be based on time costs**

Where the administrator proposes to take remuneration based on time costs, he must first provide the creditors with detailed information in the form of a 'fees estimate'. A fees estimate is a written estimate that specifies –

- details of the work the administrator and his staff propose to undertake;
- the hourly rate or rates the administrator and his staff propose to charge for each part of that work;
- the time the administrator anticipates each part of that work will take;
- whether the administrator anticipates it will be necessary to seek approval or further approval under the Rules; and
- the reasons it will be necessary to seek such approval.

In addition, the administrator must give the creditors details of the expenses he considers will be, or are likely to be, incurred.

The fees estimate and details of expenses may include remuneration anticipated to be charged and expenses anticipated to be incurred if the administrator becomes the liquidator where the administration moves into winding up.

#### **4.4 Who fixes the remuneration?**

It is for the creditors' committee (if there is one) to determine on which bases, or combination of bases, the remuneration is to be fixed. Where it is fixed as a percentage, it is for the committee to determine the percentage or percentages to be applied, and where it is a set amount, to determine that amount. Rule 18.16 says that in arriving at its decision the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the administrator;
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties;
- the value and nature of the property which the administrator has to deal with.

- 4.5 If there is no creditors' committee, or the committee does not make the requisite determination (and provided the circumstances described in paragraph 4.3 do not apply), the administrator's remuneration must be fixed by a decision of the creditors by a decision procedure having regard to the same matters as apply in the case of the committee. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator, but the administrator may not make such an application unless he has first tried to get his remuneration fixed by the committee or creditors as described above, and in any case not later than 18 months after his appointment.

- 4.6 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the prescribed part which may have to be set aside out of floating charge assets.

In this case, if there is no creditors' committee, or the committee does not make the requisite determination, the remuneration may be fixed by—

- the consent of each of the secured creditors of the company; or
- if the administrator has made or intends to make a distribution to preferential creditors —
  - the consent of each of the secured creditors; and
  - a decision of the preferential creditors in a decision procedure ,

having regard to the same matters as the committee would.

## **5. Review of remuneration**

- 5.1 An administrator who considers the rate or amount of remuneration fixed to be insufficient or the basis fixed to be inappropriate may request the creditors to increase the rate or amount or change the basis in accordance with rules 18.25 to 18.27, or apply to court for an order increasing the rate or amount or changing the basis.

## **6. Approval of pre-administration costs**

- 6.1.1 Sometimes the administrator may need to seek approval for the payment of costs in connection with preparatory work incurred before the company went into administration but which remain unpaid. Such costs may relate to work done either by the administrator or by another insolvency practitioner. Disclosure of such costs must be included in the administrator's proposals and should follow the principles and standards set out in section 7.
- 6.1.2 Where there is a creditors' committee, it is for the committee to determine whether, and to what extent, such costs should be approved for payment. If there is no committee or the committee does not make the necessary determination, or if it does but the administrator, or other insolvency practitioner who has incurred pre-administration costs, considers the amount agreed to be insufficient, approval may be by a decision of creditors through a decision procedure. Where the circumstances described in paragraph 4.3 apply, the determination may be made by the same creditors as approve the administrator's remuneration.
- 6.1.3 The administrator must convene a meeting of the committee or seek a decision of creditors by a decision procedure for the purposes of approving the payment of pre-administration costs if requested to do so by another insolvency practitioner who has incurred such costs. If there is no determination under these provisions, or if there is but the administrator or other insolvency practitioner considers the amount agreed to be insufficient, the administrator may apply to the court for a determination.

## **7 What information should be provided by the administrator?**

### **7.1 General principles**

- 7.1.1 The administrator should provide those responsible for approving his remuneration with sufficient information to enable them to make an informed judgement about the reasonableness of the administrator's request. The information should be presented

in a manner which is transparent, consistent throughout the life of the case and useful to creditors, while being proportionate to the circumstances of the case.

**7.1.2 The administrator should disclose:**

- payments, remuneration and expenses arising from the administration paid to the administrator or his or her associates;
- any business or personal relationships with parties responsible for approving the administrator's remuneration or who provide services to the administrator in respect of the insolvency appointment where the relationship could give rise to a conflict of interest.

The administrator should inform creditors of their rights under insolvency legislation, and should advise them how they may access suitable information setting out their rights within the first communication with them and in each subsequent report.

**7.1.3 Where the administrator sub-contracts out work that could otherwise be carried out by the administrator or his or her staff, this should be drawn to the attention of creditors with an explanation of why it is being done.**

**7.2 Key issues**

**7.2.1 The key issues of concern to those with a financial interest in the level of payments from the insolvency estate will commonly be:**

- the work the administrator anticipates will be done, and why that work is necessary;
- the anticipated cost of that work, including any expenses expected to be incurred in connection with it;
- whether it is anticipated that the work will provide a financial benefit to creditors, and if so what benefit (or if the work provides no direct financial benefit, but was required by statute);
- the work actually done and why that work was necessary;
- the actual costs of the work, including any expenses incurred in connection with it, as against any estimate provided;
- whether the work has provided a financial benefit to creditors, and if so what benefit (or if the work provided no direct financial benefit, but was required by statute).

When providing information about payments, fees and expenses, the administrator should do so in a way which facilitates clarity of understanding of these key issues. Narrative explanations should be provided to support any numerical information supplied. Where it is practical to do so, the administrator should provide an indication of the likely return to creditors when seeking approval for the basis of his remuneration.

**7.2.2 When approval for a fixed amount or a percentage basis is sought, the administrator should explain why the basis requested is expected to produce a fair and reasonable reflection of the work that the administrator anticipates will be undertaken.**

**7.3 Fee estimates and subsequent reports**

**7.3.1 When providing a fee estimate, the administrator should supply that information in sufficient time to facilitate that body making an informed judgement about the reasonableness of the administrator's requests. The estimate should clearly describe what activities are anticipated to be conducted in respect of the estimated fee. When subsequently reporting to creditors, the actual hours and average rate (or rates) of the costs charged for each activity should be provided for comparison.**

## **7.4 Disbursements**

7.4.1 Costs met by and reimbursed to the administrator in connection with the administration will fall into two categories:

- Category 1 disbursements: These are payments to independent third parties where there is specific expenditure directly referable to the administration. Category 1 disbursements can be drawn without prior approval, although the administrator should be prepared to disclose information about them in the same way as any other expenses.
- Category 2 disbursements: These are costs that are directly referable to the administration but not to a payment to an independent third party. They may include shared or allocated costs that may be incurred by the administrator or their firm, and that can be allocated to the administration on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as an office holder's remuneration.

When seeking approval, the administrator should explain, for each category of cost, the basis on which the charge is being made. If the administrator has obtained approval for the basis of Category 2 disbursements, that basis may continue to be used in a sequential appointment where further approval of the basis of remuneration is not required, or where the administrator is replaced.

7.4.2 The following are not permissible as disbursements:

- a charge calculated as a percentage of remuneration;
- an administration fee or charge additional to the administrator's remuneration;
- recovery of basic overhead costs such as office and equipment rental, depreciation and finance charges.

## **8. Exceeding the amount set out in the fees estimate**

8.1 Remuneration must not exceed the fees estimate without approval by the body which fixed the original basis of the remuneration. The request for approval must specify –

- the reason why the administrator has exceeded, or is likely to exceed, the fees estimate;
- the additional work the administrator has undertaken or proposes to undertake;
- the hourly rate or rates the administrator proposes to charge for each part of that additional work;
- the time that additional work has taken or the administrator anticipates that work will take;
- whether the administrator anticipates that it will be necessary to seek further approval; and
- the reasons it will be necessary to seek further approval.

## **9 Progress reports and requests for further information**

9.1.1 The administrator is required to send a progress report to creditors at 6-monthly intervals. The report must include:

- details of the basis fixed for the remuneration of the administrator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it);
- if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report);
- if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports,

together with a description of the work done during those periods, irrespective of whether payment was actually made during the period of the report;

- a statement of the expenses incurred by the administrator during the period of the report, irrespective of whether payment was actually made during that period;
- where appropriate, a statement –

- the remuneration anticipated to be charged is likely to exceed the fees estimate or any approval given for remuneration exceeding the estimate;
- the expenses incurred or anticipated to be incurred are likely to exceed, or have exceeded, the details given to the creditors prior to the determination of the basis of remuneration; and
- the reasons for that excess;
- the date of approval of any pre-administration costs and the amount approved;

- a statement of the creditors' rights to request further information, as explained in paragraph 8.2, and their right to challenge the administrator's remuneration and expenses.

9.1.2 Within 21 days of receipt of a progress report a creditor may request the administrator to provide further information about the remuneration and expenses (other than pre-administration costs) set out in the report. A request must be in writing, and may be made either by a secured creditor or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court.

9.1.3 The administrator must provide the requested information within 14 days, unless he considers that:

- the time and cost involved in preparing the information would be excessive, or
- disclosure would be prejudicial to the conduct of the administration, or
- the administrator is subject to an obligation of confidentiality in relation to the information requested,

in which case he must give the reasons for not providing the information.

Any creditor may apply to the court within 21 days of the administrator's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information.

## **10. Provision of information – additional requirements**

10.1.1 The administrator must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company.

The information which must be provided is –

- the total number of hours spent on the case by the administrator or staff assigned to the case;
- for each grade of staff, the average hourly rate at which they are charged out;
- the number of hours spent by each grade of staff in the relevant period.

10.1.2 The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment, or where he has vacated office, the date that he vacated office.

10.1.2 The information must be provided within 28 days of receipt of the request by the administrator, and requests must be made within two years from vacation of office.



**11 What if a creditor is dissatisfied?**

- 11.1 If a creditor believes that the administrator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the administrator are in all the circumstances excessive he may, provided certain conditions are met, apply to the court.
- 11.2 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the administrator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 8.1 above). If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing.
- 11.3 If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not as an expense of the administration.

**12 What if the administrator is dissatisfied?**

- 12.1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient or that the basis used to fix it is inappropriate he may request that the amount or rate be increased, or the basis changed, by seeking a decision of the creditors by a decision procedure. If he considers that the remuneration fixed by the committee or the creditors is insufficient or that the basis used to fix it is inappropriate, he may apply to the court for the amount or rate to be increased or the basis changed. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

**13 Other matters relating to remuneration**

- 13.1 Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.
- 13.2 If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.
- 13.3 If a new administrator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new administrator until a further determination, resolution or court order is made.
- 13.4 Where the basis of the remuneration is a set amount, and the administrator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing administrator. The application must be made to the same body as approved the remuneration. Where the outgoing administrator and the incoming administrator are from the same firm, they will usually agree the apportionment between them.

## **Appendix**

### **Suggested format for the provision of information**

Professional guidance issued to insolvency practitioners sets out the following suggested format for the provision of information when seeking approval of remuneration. However, the level of disclosure suggested below may not be appropriate in all cases, and will be subject to considerations of proportionality. In larger or more complex cases the circumstances of each case may dictate the information provided and its format.

#### **Narrative overview of the case**

In all cases, reports on remuneration should provide a narrative overview of the case. Matters relevant to an overview are:

- the complexity of the case;
- any exceptional responsibility falling on the administrator;
- the administrator's effectiveness;
- the value and nature of the property in question.

The information provided will depend upon the basis or bases being sought or reported upon, and the stage at which it is being provided. An overview might include:

- an explanation of the nature, and the administrator's own initial assessment, of the assignment (including the anticipated return to creditors) and the outcome (if known);
- initial views on how the assignment was to be handled, including decisions on staffing or subcontracting and the appointment of advisers;
- any significant aspects of the case, particularly those that affect the remuneration and cost expended;
- the reasons for subsequent changes in strategy;
- the steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, and fee drawing;
- any existing agreement about remuneration;
- details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees;
- in a larger case, particularly if it involved trading, considerations about staffing and managing the assignment and how strategy was set and reviewed;
- details of work undertaken during the period;
- any additional value brought to the estate during the period, for which the administrator wishes to claim increased remuneration.

#### **Time cost basis**

Where any part of the remuneration is or is proposed to be calculated on a time costs basis, requests for and reports on remuneration should provide:

- An explanation of the administrator's time charging policy, clearly stating the units of time that have been used, the grades of staff and rates that have been charged to the assignment, and the policy for recovering the cost of support staff. There is an expectation that time will be recorded in units of not greater than 6 minutes.
- A description of work carried out, which might include:
  - details of work undertaken during the period, related to the table of time spent for the period;
  - an explanation of the grades of staff used to undertake the different tasks carried out and the reasons why it was appropriate for those grades to be used;
  - any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make.
- Time spent and charge-out summaries, in an appropriate format.

It is useful to provide time spent and charge-out value information in a tabular form for each of the time periods reported upon, with work classified (and sub-divided) in a way relevant to the circumstances of the case

The following areas of activity are suggested as a basis for the analysis of time spent:

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff:

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The level of disclosure suggested above will not be appropriate in all cases, and considerations of proportionality will apply:

- where cumulative time costs are, and are expected to be, less than £10,000 the administrator should, as a minimum, state the number of hours and average rate per hour and explain any unusual features of the case;
- where cumulative time costs are, or are expected to be, between £10,000 and £50,000, a time and charge-out summary similar to that shown above will usually provide the appropriate level of detail (subject to the explanation of any unusual features);
- where cumulative time costs exceed, or are expected to exceed, £50,000, further and more detailed analysis or explanation will be warranted.

**D & I Building Services Limited (In Administration)**

**NOTICE OF DECISION PROCEDURE / VOTING FORM / PROOF OF DEBT**

## NOTICE OF DECISION PROCEDURE

**Company Name:** D & I Building Services Limited (In Administration) ("the Company")

**Company Number:** 02387627

**In the Birmingham District Registry**

**Case no. 8091 of 2017**

This Notice is given under Rule 15.8 of the Insolvency (England & Wales) Rules 2016 ("the Rules"). It is delivered by the Administrator of the Company, Mark Bowen, of MB Insolvency, 11 Roman Way, Berry Hill, Droitwich, Worcestershire, WR9 9AJ (telephone number 01905 776 771), who was appointed by the director of the Company.

Creditors are invited to vote by correspondence on the following (for the full wording of proposed decisions, see overleaf):

1. The approval of the Administrators Statement of Proposals
2. The establishing of a Creditors' Committee, if sufficient creditors are willing to be members of a Committee<sup>1</sup>
3. The basis of the Administrators fees
4. The approval of the Administrators Category 2 disbursements
5. The approval of the pre-Administration costs
6. The timing of the Administrators discharge

Overleaf is a voting form on which creditors may signify their decisions on the above matters. All voting forms, together with a proof of debt if one has not already been submitted, must be completed and returned to the Administrator by one of the methods set out below:

By post to: MB Insolvency, 11 Roman Way, Berry Hill, Droitwich, Worcestershire, WR9 9AJ

By fax to: 01905 507 596

By email to: [justinbrown@mb-i.co.uk](mailto:justinbrown@mb-i.co.uk)

Please note that, if you are sending votes by post, you must ensure that you have allowed sufficient time for the forms to be delivered to the address above by the time set out below. Unless the contrary is shown, an email is treated as delivered at 9am on the next business day after it was sent.

**All voting forms and proofs of debt must be delivered by 23.59 on the Decision Date, 12 June 2017**

If the Administrator has not received a proof of debt by the time specified above (whether submitted previously or as a result of this Notice), that creditor's vote will be disregarded. Any creditor whose debt is treated as a small debt in accordance with Rule 14.31(1) of the Rules must still deliver a proof if the creditor wishes to vote. A creditor who has opted out from receiving notices may nevertheless vote if the creditor also provides a proof by the time specified above.

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<sup>1</sup> Please see the Notice Inviting Creditors to Form a Committee for further instructions.

Creditors who meet one or more of the statutory thresholds listed below may, within 5 business days from the date of the delivery of this Notice, require a physical meeting to be held to consider the matter.

Statutory thresholds to request a meeting:      10% in value of the creditors  
   10% in number of the creditors  
   10 creditors

A creditor may appeal a decision by application to the court in accordance with Rule 15.35 of the Rules. Any such appeal must be made not later than 21 days after the Decision Date.

Signed: \_\_\_\_\_



Dated: \_\_\_\_\_

24.05.17

**Mark Bowen**  
**Administrator**

## VOTE BY CORRESPONDENCE

**D & I Building Services Limited (in Administration)**

**Name of Creditor:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Decisions:**

1	That the Administrators Statement of Proposals be approved.	*For / Against
2	That a Creditors' Committee be established if sufficient creditors are willing to be members of a Committee. <sup>2</sup>	*For / Against
3	That the Administrator's fees be fixed by reference to a set fee of £60,435 and as a percentage of realisations of the company's book debts	*For / Against
4	That the Administrator be authorised to recover all Category 2 disbursements, calculated on the bases detailed in MB Insolvency's summary.	*For / Against
5	That the unpaid pre-Administration costs set out in the Administrators Proposal be approved.	*For / Against
6	That the Administrator be discharged from liability in respect of any action undertaken by them pursuant to Paragraph 98 of Schedule B1 of the Act, such discharge to take effect when the appointment of Administrator ceases to have effect, as defined by the Act, unless the court specifies a time.	*For / Against

**\* Please delete as applicable to indicate your voting instructions**

**Signed:** \_\_\_\_\_ **Dated:** \_\_\_\_\_

**Name in capitals:** \_\_\_\_\_

**Position with, or relationship to, creditor or other authority for signature:** \_\_\_\_\_

**Are you the sole member/shareholder of the creditor (where it is a company)?** Yes / No

**Please complete this form and return it, along with a completed proof of debt if you have not submitted one previously, so that it is delivered by 23.59 on 12 June 2017 by:**

**Post:** MB Insolvency, 11 Roman Way, Berry Hill, Droitwich, Worcestershire, WR9 9AJ

**Fax:** 01905 507596

**Email:** please scan in a signed copy of this form and attach it as a pdf to [justinbrown@mb-i.co.uk](mailto:justinbrown@mb-i.co.uk)

<sup>2</sup> Please see the Notice Inviting Creditors to Form a Committee for further instructions. Please note that, in the event that a Creditors' Committee is formed, authority to approve decisions 3, 4, 5 and 6 proposed above may be exercised by the Committee.

# PROOF OF DEBT - GENERAL FORM

**D & I Building Services Limited (in Administration)**

Date of Administration: 4 April 2017

DETAILS OF CLAIM		
1.	Name of Creditor (if a company, its registered name)	
2.	Address of Creditor (i.e. principal place of business)	
3.	If the Creditor is a registered company: <ul style="list-style-type: none"> <li>For UK companies: its registered number</li> <li>For other companies: the country or territory in which it is incorporated and the number if any under which it is registered</li> <li>The number, if any, under which it is registered as an overseas company under Part 34 of the Companies Act</li> </ul>	
4.	Total amount of claim, including any Value Added Tax, as at the date of administration, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25	£
5.	If the total amount above includes outstanding uncapitalised interest, please state	YES (£ ) / NO
6.	Particulars of how and when debt incurred	
7.	Particulars of any security held, the value of the security, and the date it was given	
8.	Details of any reservation of title in relation to goods to which the debt relates	
9.	Details of any document by reference to which the debt can be substantiated. [The administrator may call for any document or evidence to substantiate the claim at his discretion.]	
10.	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986	Category  Amount(s) claimed as preferential £
AUTHENTICATION		
Signature of Creditor or person authorised to act on his behalf		
Name in BLOCK LETTERS		
Date		
If signed by someone other than the Creditor, state your postal address and authority for signing on behalf of the Creditor		
Are you the sole member of the Creditor?		YES / NO



**D & I Building Services Limited (In Administration)**

**NOTICE OF INVITATION TO FORM A CREDITORS' COMMITTEE**

## NOTICE OF INVITATION TO FORM A CREDITORS' COMMITTEE

**Company Name:** D & I Building Services Limited (In Administration) ("the Company")

**Company Number:** 02387627

**In the Birmingham District Registry**

**Case no. 8091 of 2017**

This Notice is given under Rule 3.39 of the Insolvency (England & Wales) Rules 2016 ("the Rules"). It is delivered by the Administrator of the Company, Mark Bowen, of MB Insolvency, 11 Roman Way, Berry Hill, Droitwich, Worcestershire, WR9 9AJ (telephone number 01905 776 771), who was appointed by the directors of the Company.

Creditors are invited to nominate creditors (which may include themselves) by completing the section below and returning this Notice to the «LQCASE\_APP» by one of the following methods:

By post to: MB Insolvency, 11 Roman Way, Berry Hill, Droitwich, Worcestershire, WR9 9AJ

By fax to: 01905 507 596

By email to: [justinbrown@mb-i.co.uk](mailto:justinbrown@mb-i.co.uk)

Please note that, if you are sending nominations by post, you must ensure that you have allowed sufficient time for the Notice to be delivered to the address above by the time set out below. Unless the contrary is shown, an email is treated as delivered at 9am on the next business day after it was sent.

**All nominations must be delivered by: 23:59 on 12 June 2017**

Nominations can only be accepted if the Administrator is satisfied as to the nominated creditor's eligibility under Rule 17.4 of the Rules.

For further information on the role of Creditors' Committees, go to: R3 website:  
<https://goo.gl/VRZ78f>

Signed: \_\_\_\_\_ Dated: \_\_\_\_\_

**Mark Bowen**  
**Administrator**

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## **NOMINATIONS FOR MEMBERS OF A CREDITORS' COMMITTEE**

### **D & I Building Services Limited (In Administration)**

On behalf of (name of Creditor): \_\_\_\_\_ ,

at (address of Creditor): \_\_\_\_\_ ,

I nominate the following creditor(s) to be member(s) of a Creditors' Committee (provide name(s) and address(es)):

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

Signed: \_\_\_\_\_

Dated: \_\_\_\_\_

Name in capitals: \_\_\_\_\_

Position with, or relationship to, Creditor or other authority for signature: \_\_\_\_\_

Are you the sole member/shareholder of the Creditor (where it is a company)?

Yes / No
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