

The Insolvency Act 1986

Administrator's progress report

Name of Company

A C Wellard & Partners Limited

Company number

02467256

In the
High Court of Justice

(full name of court)

Court case number
4119 of 2015(a) Insert full
name(s) and
address(es) of
administrator(s)

We (a)
Alan J Clark
Carter Clark
Recovery House
15-17 Roebuck Road
Hainault Business Park
Ilford, Essex IG6 3TU

Jamie Taylor
Begbies Traynor
The Old Exchange
234 Southchurch Road
Southend-on-Sea
Essex SS1 2EG

administrators of the above company attach a progress report for the period

From

To

(b) Insert date

(b) 23 June 2015

(b) 22 December 2015

Signed



Joint Administrators

Dated

21 January 2016

SATURDAY



A4Z7TUQ1

A19

23/01/2016

#258

COMPANIES HOUSE



Your ref
Our ref ACW3015/RS
Contact Ryan Sinclair
Telephone 020 8559 5092
Fax 020 8524 1457
Date 21 January 2016

Carter Clark
Financial Recovery

Recovery House
Hainault Business Park
15-17 Roebuck Road
Ilford
Essex
IG6 3TU

PRIVATE AND CONFIDENTIAL
To All Known Creditors and Contributories

Dear Sirs

A.C.Wellard & Partners Limited - In Administration
Company Number: 02467256
In the High Court of Justice – Number 4119 of 2015

I refer to previous correspondence regarding our appointment as Joint Administrators, which was made by the directors of the company under the provisions of the Insolvency Act 1986 as amended by The Enterprise Act 2002 on 23 June 2015

Our appointment documentation was lodged in the High Court under the case number detailed above. We are now in a position to provide creditors and contributories with our first six monthly report on the progress of the Administration

As required by the Insolvency Rules 1986, we would advise that the registered office of the company has been changed to that of Carter Clark, Recovery House 15-17 Roebuck Road, Hainault Business Park, Ilford, Essex IG6 3TU. The previous registered office was that of Thames House, Roman Square, Sittingbourne, Kent ME10 4BJ

A schedule of statutory information is attached at Appendix 1

Receipts and Payments Account

Our Receipts and Payments Account for the period from 23 June 2015 to 22 December 2015 is attached at Appendix 2

Asset realisations

Leasehold Land & Property

The Company held a lease for Menzies Road, Dover, CT16 3NJ of which the director and his father jointly owned the premises. The lease was valued by chartered surveyors, Copping Joyce, to have a value of NIL. Therefore the Administrators' have surrendered this lease. The director is due to sell the freehold premises shortly to discharge the liability to Barclays Bank Plc under his personal guarantee and also raise capital to purchase the lease on Waldershare

The Company also holds a lease for Waldershare Road, Dover, CT15 5HZ. As at 11 December 2015, the value of the outstanding secured loan against the property was at £67,436. The director expressed an interest in purchasing the lease for this amount and this has been considered. It is anticipated that we will surrender the lease, the payment of the sum of £67,436, and the proceeds will be distributed to Barclays Bank to discharge the secured loan. The lease has been independently valued with a

Partners
Gary A Carter
Alan J Clark*

Associates
Alistair Whipps
Philip Gautier
Grant Pegg*

www.carterclark.co.uk

*Licensed to carry out insolvency work in the UK by the Institute of Chartered Accountants in England and Wales.

market value of up to £75,000, less costs of conveyancing and agents fees. As such, the administrators consider the current offer on par with expectations.

Chattel Assets

The Company's chattel assets were valued by independent agents, Gordon Brothers Europe prior to our Appointment as Joint Administrators. These assets included Plant and Equipment, Office Furniture and motor vehicles and they were valued to have an in situ market value of £44,000, £1,825 and £39,500 respectively. These assets were sold to Premier Fruits Limited on 09 July 2015 for the sum of £72,500 plus VAT. We have received this sum in full from the purchaser.

Goodwill

Premier Fruits Limited also purchased Goodwill for the sum of £10,000 including VAT on 09 July 2015. This was included within the sale agreement along with the chattel assets. The funds have been received in full.

Book Debts

As at the date of our appointment, the Company's sales ledger reflected the sum of £176,609.88 owing to the Company. These book debts are factored with Barclays Bank Plc, and it has been advised by them that no surplus should be expected.

Motor Vehicles

The Company owned motor vehicles with a book value of £14,500 as at the date of our appointment. These vehicles were subject to a finance agreement with Lombard North Central Plc, and they were owed the sum of £16,954. These vehicles have been returned to Lombard's and therefore no realisations are to be forthcoming.

Creditors' claims

Secured Creditor Claims

An examination of the company's mortgage register held by the Registrar of Companies, showed that the company has granted two debentures dated 30 March 2007 and 31 March 2011, both incorporating fixed and floating charges to Barclays Bank plc. In addition, Barclays Bank plc also hold a legal charge dated 22 June 2007 over the leasehold property at The Farm Store, Waldershare Road, Ashley, Dover, Kent.

The amount of the creditor's secured claim has been investigated. With my solicitors I have also investigated the validity of the security. Consideration has also been given to which assets are covered by the secured creditor's fixed charges and which are only subject to a floating charge.

Preferential creditors

There are no known preferential claims.

Non preferential creditors

Unsecured creditors were estimated at £1,887,254, which included HM Revenue & Customs for the sums of £9,304 and £64,361 for VAT and PAYE respectively. To date 35 claims in the sum of £431,022 have been received. A further 78 creditors with anticipated claims totalling to £1,601,306 have yet to submit claims. The increase in claims relates to larger claims being submitted by trade creditors which were not envisaged at the outset.

Please contact Ryan Sinclair of Carter Clark's office on 0845 686 0100 if you have yet to submit a claim and wish to do so.

Dividend prospects

Barclays Bank plc has the benefit of a debenture incorporating fixed and floating charges as security for the debt owed them. It is expected that they will be paid in full from asset realisations in the Administration and calls on personal guarantees. As such, although this will result in Barclays being discharged, the party which settles the security by way of guarantee will then stand in the shoes of the secured creditor for the same balance.

As far as the Joint Administrators are aware there are no preferential creditors.

I anticipate that there will not be a dividend to unsecured creditors available from known asset realisations due to the irrecoverability of the Company's debtors. This position may change depending on the future collections and investigation outcomes.

Unsecured creditors and S 176A Insolvency Act 1986 (The Prescribed Part)

The provisions of S 176A Insolvency Act 1986, which provides for a percentage of the assets, realised to be set aside for the unsecured creditors, in cases where the company gave a "qualifying floating charge" over its assets to a lender on or after 15 September 2003. The percentage set aside for the unsecured creditors is called the prescribed part. The prescribed part will only apply if the floating charges were created after 15 September 2003.

A company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. An administrator has to set aside:

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property up to a maximum of £600,000.

The estimated Statement of Affairs indicates that the net property upon which the prescribed part will be calculated is £94,000. This would lead to a prescribed part of £21,800. This is however subject to the eventual realisations and the costs of the administration. The actual amount of the prescribed part is therefore likely to be lower.

If the net property becomes less than £10,000, I have my discretion to disapply the provisions relating to the prescribed part if I believe that the costs of distributing the prescribed part outweigh the benefit.

At present and as advised earlier, it appears that the fixed charge holder will be paid in full from the fixed charge realisations relating to the goodwill, book debts and the leasehold property and personal guarantees.

Investigation into the Affairs of the Company

Investigations carried out to date

We have undertaken an initial assessment of the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect.

We are continuing our investigations in order to establish any rights of action, however these currently remain confidential to us as exposure may compromise any potential recoveries.

Within six months of my appointment as administrator, I am required to submit a confidential report to the Department of Business Innovation & Skills for consideration pursuant to the Company Director's Disqualification Act 1986. I have submitted my report but in this regard, creditors are asked to note that I cannot comment further on this matter for reasons of confidentiality imposed upon me by the Act.

Pre-Administration Costs

On 2 September 2015 the following pre-appointment costs were approved by general creditors and secured creditors:

Pre-appointment fees charged by the A J Clark and J Taylor (joint administrator) of £10,487 and £11,584 respectively

Pre-appointment disbursements incurred by A J Clark (joint administrators) of £159 the administrator

Pre-appointment costs in respect of ITC Valuers Limited and Gordon Brothers Europe Limited in the sum of £1,500 and £1,950 respectively together with disbursements of £331 45

Administrator's remuneration and disbursements

On 2 September 2015 the secured and unsecured creditors agreed that the remuneration of the Administrator be fixed in accordance with Rule 2 106 of the Insolvency Rules 1986 by reference to the time properly given by the Administrator and his staff in attending to matters arising in the Administration Barclays Bank subsequently provided consent in its capacity as secured creditor

To the end of the reporting period, as set out in the attached schedule, time costs of £23,208 50 and £39,088 excluding VAT, have been incurred by Carter Clark and Begbies Traynor respectively This represents 107 4 hours and 107 2 hours work by ourselves and our staff which equates to an average hourly rate of £216 09 and £364 63 per hour respectively for both firms

To date, time costs of £23,714 and £40,228 have been incurred by Carter Clark and Begbies Traynor respectively This represents 110 1 hours and 110 8 hours of work by ourselves and our staff, equating to an average hourly rate of £215 39 and £363 07 per hour respectively for both firms A separate breakdown of these costs is provided

We have not drawn any amounts to date towards our outstanding post appointment time costs. The attached receipts and payments account sets out payments to date

Category 1 Disbursements	Cost	Basis	Incurred £	Drawn £
Advertising	72 97	actual	72 97	Nil
Bordereau insurance	231 75	actual	231 75	Nil
Travel	24 80	actual	24 80	Nil
	<u>329 52</u>		<u>329 52</u>	<u>Nil</u>

1 Administration and Planning

- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Preparing documentation required
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details on IPS case management software
- Review and storage
- Case bordereau
- Case planning and administration
- Preparing reports to members and creditors
- Convening and holding meetings of members and creditors

2. Cashiering

- Maintaining and managing the administrator's cashbook and bank account
- Ensuring statutory lodgements and tax lodgement obligations are met

3 Creditors

- Dealing with creditor correspondence and telephone conversations
- Preparing reports to creditors
- Maintaining creditor information on IPS case management software
- Reviewing, and adjudicating on if necessary, proofs of debt received from creditors

4 Investigations

- Review and storage of books and records
- Prepare a return pursuant to the Company Directors Disqualification Act
- Conduct investigations into suspicious transactions
- Review books and records to identify any transactions or actions an administrator may take against a third party in order to recover funds for the benefit of creditors

5 Realisation of Assets

- Corresponding with main contractors
- Review of contract files to determine work done and sums outstanding
- Liaising with agents and meetings with the director regarding vehicles and machinery
- Corresponding with agents and solicitors

A copy of 'A Creditors Guide to Administrators' Fees' published by the Association of Business Recovery Professionals and 'A Statement of Insolvency Practice 9 (Revised)' together with an explanatory note which shows Carter Clark's and Begbies Traynor's fee policies are available at the links www.carterclark.co.uk and www.begbiestraynor.co.uk Please note that there are different versions for cases that commenced before or after 6 April 2010 and in this case you should refer to the post-April 2010 version A hard copy of both the Creditors Guide and my practice's fee policy can be obtained on request from the address below

Administrator's expenses

The following agents or professional advisors have been utilised in this matter

Professional Advisor	Nature of Work	Fee Arrangement
Copping Joyce	Valuer - Property	Fixed Fee
MAB Law	Solicitors	Time costs
Gordon Brothers Europe Ltd	Valuer - Assets	Fixed Fee + 10% realisations

The legal fees incurred by MAB Law in the sum of £5,003 plus VAT have been paid The reason for my instructing them was to assist and advise me in respect of the validity of my appointment together with preparing essential documents which included the sales and purchase agreement for the sale of the company's assets

Copping Joyce Chartered Surveyors was paid a fixed fee of £3,000 to value leasehold properties

Gordon Brothers Europe Limited have incurred fees of £12,331 but have not been paid within this reporting period The reason for instructing them was to assist the Administrators by liaising and contacting various Hire Purchase company's regarding their assets together with liaising with creditors who claimed Reservation of Title

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case

Further information

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Administrator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

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

Summary

The administration will continue until further fixed charge realisations are recovered and a distribution to the charge holder has been made which I expect will be concluded shortly. Once this issue has been dealt with the Administration will be finalised and converted to liquidation as approved in the proposals.

Should you have any queries regarding this matter please contact Ryan Sinclair of Carter Clark on 020 8559 5092.

Yours faithfully
For and on behalf of
A C Wellard & Partners Limited

A handwritten signature in black ink, appearing to read 'A J Clark', with a horizontal line underneath.

A J Clark
Joint Administrator

The affairs, business and property of the Company are being managed by the administrators, A.J. Clark and J Taylor, as agents for the Company and without personal liability.

A.C.Wellard & Partners Limited

STATUTORY INFORMATION

The Company

Company Name	A C Wellard & Partners Limited	
Trading Name	A C Wellard & Partners	
Previous Company Name	-	
Registered Number	02467256	
Date of Incorporation	6 February 1990	
Nature of Business	Wholesale of fruit and vegetables	
Trading Addresses	Channel House, Channel View Road, Dover, Kent CT17 9TJ Unit 15 Menzies Road, Whitfield, Dover, Kent CT16 3NJ The Farm Store, Waldershare Road, Dover, Kent CT15 5HZ Covent Garden Market	
Registered Office	Recovery House Hainault Business Park 15 - 17 Roebuck Road Ilford, Essex IG6 3TU Formerly Thames House Roman Square Sittingbourne Kent ME10 4BJ	
Issued Share Capital	70,000 Ordinary shares of £1 each	
Shareholders	Matthew Hayes	20,000 Ordinary £1 shares
	Christopher Hayes	50,000 Ordinary £1 shares
Directors	Christopher Hayes	App 06/02/1990
	Matthew Hayes	App 01/03/1995
	Timothy Hayes	App 06/02/1990
		Res 31/12/2006
Company Secretary	Maureen Hayes	App 06/02/1990
Mortgages & Charges	Barclays Bank plc Debenture Created 30 March 2007	

Barclays Bank plc
Legal Charge
Created 22 June 2007

Barclays Bank plc
Fixed and Floating Charge
Created 31 March 2011

A.C.Wellard & Partners Limited

STATUTORY INFORMATION

The Administrator

Name of Administrators	Alan John Clark of Carter Clark Jamie Taylor of Begbies Traynor
Date notice of intention to appoint Administrator presented to court	12 June 2015
Date of appointment of Administrator	23 June 2015
Court reference number	4119 of 2015
Court in which Administration proceedings were brought	The High Court of Justice, Chancery Division, Companies Court, London
Appointment made by	Directors
Address	Recovery House Hainault Business Park 15 - 17 Roebuck Road Ilford, Essex IG6 3TU

The EC regulation on Insolvency Proceedings will apply in this matter and accordingly the Administration will constitute main proceedings.

A.C. Wellard & Partners Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs		From 23/06/2015 To 22/12/2015	From 23/06/2015 To 22/12/2015
	SECURED ASSETS		
Uncertain	Leasehold Land & Property	NIL	NIL
10,000 00	Goodwill	10,000 00	10,000 00
178,609 88	Book Debts	NIL	NIL
		<u>10,000 00</u>	<u>10,000 00</u>
	COSTS OF REALISATION		
	Valuers fees - Copping Joyce	3,000 00	3,000 00
		<u>(3,000 00)</u>	<u>(3,000 00)</u>
	SECURED CREDITORS		
(219,631 00)	Barclays Bank Plc	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	HIRE PURCHASE		
14,500 00	Motor Vehicles	NIL	NIL
(16,954 00)	Lombard North Central Plc	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	ASSET REALISATIONS		
54,500 00	Plant & Machinery	NIL	NIL
39,500 00	Motor Vehicles	NIL	NIL
	Proceeds under sale agreement	72,500 00	72,500 00
		<u>72,500 00</u>	<u>72,500 00</u>
	COST OF REALISATIONS		
	Legal Fees & disb - MAB	5,003 00	5,003 00
		<u>(5,003 00)</u>	<u>(5,003 00)</u>
	UNSECURED CREDITORS		
(1,811,134 16)	Trade Creditors	NIL	NIL
(64,361 47)	HMRC - PAYE/NIC	NIL	NIL
(9,304 05)	HMRC - VAT	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(70,000 00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(1,894,274 80)		<u>74,497 00</u>	<u>74,497 00</u>
	REPRESENTED BY		
	Vat Receivable		1,000 00
	Bank 1 Current		87,397 00
	Fixed Charge VAT Receivable		600 00
	Vat Payable		(14,500 00)
			<u>74,497.00</u>

Time Entry - Detailed SIP9 Time & Cost Summary

ACW3015 - A C Wellard & Partners Limited
From 23/06/2015 To 21/01/2016
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
A06 Administration	0.80	15.10	31.20	0.00	46.90	9,490.50	202.36
A07 Merits/Cred Meetings (inc SOA)	0.20	0.20	0.00	0.00	0.40	142.00	355.00
A21 Annual Meetings	0.00	0.30	2.40	0.00	2.70	505.50	187.22
A28 Drafting Proposals	0.00	11.80	6.00	0.00	17.80	4,855.00	272.75
Administration & Planning	0.80	27.40	39.60	0.00	67.80	14,993.00	221.14
A04 Corporation Tax	0.00	0.00	0.00	0.20	0.20	30.00	150.00
A14 Customs & Excise	0.00	0.00	0.10	0.20	0.30	47.00	156.67
A15 Creditor Claims	0.30	0.20	15.10	0.00	15.60	2,747.50	176.12
A17 Employee Claims	0.00	0.00	0.50	0.00	0.50	135.00	270.00
A18 Dividend Distributions	0.00	0.00	0.00	0.20	0.20	30.00	150.00
Creditors	0.30	0.20	15.70	0.60	16.80	2,969.50	177.95
A10 Investigations	0.00	0.00	4.00	0.00	4.00	680.00	170.00
Investigations	0.00	0.00	4.00	0.00	4.00	680.00	170.00
A11 Debt Recovery	0.00	5.50	3.40	0.00	8.90	1,788.50	200.98
A09 Asset Realisation	1.00	8.00	3.60	0.00	12.60	3,263.00	258.97
Realisation of Assets	1.00	13.50	7.00	0.00	21.50	6,051.50	234.95
Total Hours	2.10	41.10	66.30	0.60	110.10	23,714.00	215.39
Total Fees Claimed						0.00	

Time Entry - Detailed SIP9 Time & Cost Summary

ACW3015 - A C Wellard & Partners Limited
From 23/06/2015 To 22/12/2015
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
A06 Administration	0.60	15.10	31.20	0.00	46.90	9,490.50	202.36
A07 Mems/Cred Meetings (inc SOA)	0.20	0.20	0.00	0.00	0.40	142.00	355.00
A28 Drafting Proposals	0.00	11.80	6.00	0.00	17.80	4,855.00	272.75
Administration & Planning	0.80	27.10	37.20	0.00	65.10	14,487.50	222.54
A04 Corporation Tax	0.00	0.00	0.00	0.20	0.20	30.00	150.00
A14 Customs & Excise	0.00	0.00	0.10	0.20	0.30	47.00	156.67
A15 Creditor Claims	0.30	0.20	15.10	0.00	15.60	2,747.50	176.12
A17 Employee Claims	0.00	0.00	0.50	0.00	0.50	135.00	270.00
A18 Dividend Distributions	0.00	0.00	0.00	0.20	0.20	30.00	150.00
Creditors	0.30	0.20	15.70	0.60	16.80	2,989.50	177.95
A10 Investigations	0.00	0.00	4.00	0.00	4.00	680.00	170.00
Investigations	0.00	0.00	4.00	0.00	4.00	680.00	170.00
A11 Debt Recovery	0.00	5.50	3.40	0.00	8.90	1,788.50	200.96
A09 Asset Realisation	1.00	8.00	3.60	0.00	12.60	3,263.00	258.97
Realisation of Assets	1.00	13.50	7.00	0.00	21.50	5,051.50	234.95
Total Hours	2.10	40.80	63.90	0.60	107.40	23,208.50	216.09
Total Fees Claimed						0.00	

Staff Grade	Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	1.7		0.8						2.5	1 017 00	408 80
	Administration	0.9		0.4				4.0		5.3	1 185 50	219 91
	Total for General Case Administration and Planning	2.6		1.2				4.0		7.8	2 182 50	279 81
	Appointment											
Compliance with the Insolvency Act, Rules and best practice	Banking and Bonding	1.2					4.0	1.7		5.2	1 654 50	318 17
	Case Closure									5.2	1 269 00	244 04
Investigations	Statutory reporting and statement of affairs	4.4	3.9					1.2		9.5	3 712 50	390 79
	Total for Compliance with the Insolvency Act, Rules and best practice	5.6	7.4				4.0	2.9		19.9	6 638 00	333 47
	CDDA and investigations	0.2						4.8		5.0	858 00	171 60
	Total for Investigations	0.2			0.5					0.5	157 50	315 00
Realisation of assets	Debt collection									13.5	5 607 50	415 37
	Property business and asset sales	5.0	8.5									0.00
	Retention of Title/Third party assets											0.00
	Total for Realisation of assets	5.0	8.5	0.5						14.0	5 765 00	411 79
Trading	Trading											0.00
	Total for Trading											0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured		37.3	9.7						47.0	17 789 00	378 49
	Others	0.2		0.7				0.3		1.2	358 50	298 75
	Creditors committee											0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions	0.2	37.3	10.4				0.3		48.2	18 147 50	378 50
Other matters which includes meetings, tax, litigation, pensions and travel	Meetings	7.1			0.2					7.3	3 249 00	445 07
	Other	5.0								5.0	2 250 00	450 00
	Tax											0.00
	Litigation											0.00
	Total for Other matters	12.1			0.2					12.3	5 499 00	447 07
	Total hours by staff grade	25.7	53.2	12.1	0.2		4.0	12.0		107.2		
	Total time cost by staff grade	11 549 50	21 014 00	3 811 50	54 00		740 00	1 920 00			39 088 00	
	Average hourly rate £	449 36	395 00	315 00	270 00	0 00	185 00	160 00	0 00		0 00	364 63
Total fees drawn to date £:												

Staff Grade	Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	17	06		08						25	1 017 00	408 80
Administration	09	06		04				40		59	1 402 50	237 71
Total for General Case Administration and Planning	26	06		12				40		84	2 419 50	288 04
Compliance with the Insolvency Act, Rules and best practice		35						17		52	1 654 50	318 17
Appointment										89	1 638 50	237 17
Banking and Bonding	14						55					0 00
Case Closure												0 00
Statutory reporting and statement of affairs	44	39						12		95	3 712 50	390 78
Total for Compliance with the Insolvency Act, Rules and best practice	58	74					55	29		216	7 003 50	324 24
Investigations	02							48		50	859 00	171 60
GDPA and investigations	02							48		50	858 00	171 60
Total for Investigations	02									05	157 50	315 00
Realisation of assets				05						148	6 143 00	415 07
Debt collection												0 00
Property business and asset sales	54	94										0 00
Retention of Third/Third party assets												0 00
Total for Realisation of assets	54	94		05						153	6 300 50	411 80
Trading												0 00
Total for Trading												0 00
Dealing with all creditors claims (including employees), correspondence and distributions		373		97						470	17 789 00	378 49
Secured				07				03		12	358 50	288 75
Others	02											0 00
Creditors committee												0 00
Total for Dealing with all creditors claims (including employees), correspondence and distributions	02	373		104				03		482	18 147 50	378 50
Meetings												0 00
Other	71				02					73	3 249 00	445 07
Tax	50									50	2 250 00	450 00
Litigation												0 00
Total for Other matters	121				02					123	5 499 00	447 07
Total hours by staff grade	263	647		121	02		55	120		1108		
Total time cost by staff grade	11 818 50	21 606 50		3 611 50	54 00		1 017 50	1 920 00			40 228 00	
Average hourly rate £	449 37	395 00	0 00	315 00	270 00	0 00	185 00	160 00	0 00		0 00	363 07
Total fees drawn to date £												

Introduction

This statement has been prepared in accordance with the guidelines set out in Statement of Insolvency Practice (SIP) 9 issued by the Association of Business Recovery Professionals. The following information applies to all appointments of partners, associates or staff of Carter Clark to act as any of the following -

Liquidator, Receiver, Administrator or Administrative Receiver of a Limited Company or LLP
Trustee in Bankruptcy
Supervisor of an Individual, Company or Partnership Voluntary Arrangement
Administrator under the Insolvent Estates Order

When acting as a Nominee, the provisions of the Insolvency Act require that the amount of the fees payable to the office holder be specified within the Debtor's Proposal. Such fees will nevertheless be fixed to take account of the office holder's expected time costs arising as referred to below.

SIP 9, revised on 6 April 2010, applies to all appointments held by Insolvency Licence Holders. The purposes of the SIP include the following -

- set out best practice with regard to the observance of the statutory provisions,
- set out best practice with regard to the provision of information to those responsible for the approval of fees to enable them to exercise their rights under the insolvency legislation,
- set out best practice with regard to the disclosure and drawing of disbursements

SIP's are not to be regarded as definitive statements of the law and no liability attaches to any body or person involved in the preparation or promulgation of SIP's. However, Insolvency Practitioners are expected to have regard to SIP's in carrying out their professional work. This statement sets out the policy of Carter Clark in complying with SIP9 and the manner in which information will be disclosed to creditors.

Remuneration of Insolvency Practitioners

As mentioned above, insolvency legislation was changed on 6 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 guide 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.

Once the basis of the office holders 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 the time costs incurred. It will also enable the recipient 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 time to challenge the officeholders 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 insolvency practitioners' fees to be challenged.

Creditors' guides to fees

SIP9 has several appendices that are creditors' guides to fees in relation to the various appointments that may be held by an Insolvency Licence Holder. Our website, www.carterclark.co.uk, provides details of the appropriate creditors' guide to fees which is included in the first notice sent to creditors. Thereafter, the website reference or a link will be repeated with each progress report to creditors. Hard copies are also made available to creditors upon request by writing to Carter Clark, Recovery House, Hainault Business Park, 15-17 Roebuck Road, Ilford, Essex, IG6 3TU.

Basis of calculating remuneration

Carter Clark will normally seek creditors' approval for remuneration to be fixed on a time cost basis. We use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is one of the bases permitted by the statutory provisions. Once the basis of remuneration has been approved, Carter Clark will be able to draw remuneration from time to time on account without specific reference to creditors. In order to assist creditors in considering whether to grant this approval, the hourly charge out rates in force at the time authority is sought will be disclosed at the earliest opportunity.

The time spent by Carter Clark's partners, associates and staff working on insolvency appointments is recorded on a time recording system. That time is recorded in six minute units and is analysed according to work type and tasks undertaken. Further details are set out below.

Disclosure of time costs

Since 1996, Carter Clark has routinely disclosed the time spent in reports to creditors. The information has been analysed by category and by staff time, including average hourly rates, together with sums drawn on account. This information is reported to creditors in each progress report.

SIP9 recommends that time spent is disclosed by reference to a number of standard activities undertaken by each category of staff. The total time cost relating to each activity will be disclosed together with the average hourly rate. The total time cost and hours spent will also be disclosed. The SIP sets out the following standard activities and examples of work -

Standard Activity	Examples of Work
Administration & Planning	Case planning, administrative set up, appointment notification, maintenance of records, statutory reporting
Investigations	Liquidators / Administrators investigation into affairs on an insolvent company, Company Directors Disqualification Act report, investigation of antecedent transactions
Realisation of assets	Identifying, securing, insuring assets, retention of title claims, debt collection, sale of property, business and assets
Trading	Management of operations, accounting for trading, supplier and employee issues
Creditors	Communication with creditors, dealing with creditors claims, calculation and payment of dividends
Other	Material case specific matters

Our reports disclose total time spent in each category along with an analysis of the time spent by the office holder and his staff in dealing with the case. We also disclose sums drawn on account of remuneration, together with any payments made to third parties in connection with the case. Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. The case team will usually consist of a Partner, Associate / Manager, Senior and Assistant. The exact make up of the team depends upon the size and complexity of the assignment and on more complex cases several Seniors/Assistants may be allocated to meet the demands of the case.

Charge out rates

Unless otherwise fixed in accordance with the Insolvency Act 1986, our offices holders fees are often charged by reference to time costs, as incurred, charged at the firms usual rates applicable at the time the work is carried out. Rates may be varied from time to time, and are adjusted to take account of inflation and the firm's overheads. Any changes are at the sole discretion of Carter Clark, and such changes will be notified in retrospect with each report to Creditors. As at 1 November 2014 the maximum* rates applicable, are -

Period	From 01/11/14 £	01/05/10 to 31/10/14 £	01/01/05 to 30/04/10 £
Partners (or equivalent)	310 - 385	300 - 375	250 - 290
Managers	270 - 325	250 - 300	150 - 260
Senior administrators	200 - 250	200	175
Administrators	150 - 190	120 - 175	90 - 160

* Rates vary between individuals, reflecting experience. For certain more complex tasks, Carter Clark may seek to apply a higher rate in respect of work to be undertaken, but subject to prior authorisation in accordance with the Act. For further information on the manner in which an office holder's fees may be fixed, please refer to the applicable Creditors' guide to fees. Support staff will also occasionally charge their time when performing a substantial administrative task within a case. Support staff charge their time at the lower Administrators rate of £150 per hour.

Percentage Basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal. Different percentages can be used for different assets or types of assets. Where we would like to realise any assets 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 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.

All bases

Any invoices raised by the firm for any work undertaken will be subject to VAT at the prevailing rate.

Agent's costs

From time to time the office holder will seek the assistance of others to handle insolvency cases. Such expenses are charged at cost based upon the charge made by the Agent instructed. The term Agent includes solicitors, legal advisors, auctioneers, valuers, accountants, tax advisors, quantity surveyors, debt collectors, estate agents and other specialist advisors.

Disbursements

In accordance with Statement of Insolvency Practice 9 the basis of disbursement allocation in respect of disbursements incurred by office holders 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 and disbursements relate to specific expenditure to an independent third party for which an invoice will normally be payable. Examples of such include company searches, postage, advertising, courier costs, external room hire etc. Category 1 expenses and disbursements are recoverable in full without the need for creditor approval.

Category 2 expenses and disbursements for which there will be no third party invoice may include shared or allocated costs. Examples of these include stationery, photocopying, faxes, room hire, storage costs etc. Category 2 expenses and disbursements are recoverable in full with the approval of creditors subject to the basis of the charges being disclosed. The basis of these charges is set out below.

	£	
Ordinary correspondence		No charge for stationery or postage
Reports and circulars	3 50	Administration Proposals / CVL Notices
	2 50	Voluntary Arrangement Proposals / S98 Notices
	1 50	Other reports and meeting notices
	1 00	Other statutory notices
Room hire	A charge will be made by reference to comparable commercial facilities available locally as follows -	
	200	London
Travel & subsistence		At cost to the firm
Storage	An associated company, Ideal Data Limited, may be utilised in handling storage and transportation for the firm. Costs currently are as follows -	
Storage	0 50	Per box, per week
Collection	20 00	Per hour
Listing of documents	1 50	Per box
Box charges	2 25	Per box
Transportation costs	150 00	Per load

Provision of Information

Each statutory report made by the office holder containing an account of receipts & payments relevant to that appointment will generally be accompanied by a Summary of the office holders fees and expenses in the form suggested by SIP9. Where further information is requested, reports will be provided on receipt of a written request to Carter Clark. Carter Clark reserves the right to either refuse to comply with such request or to insist upon payment of costs by the recipient wherever, in their professional opinion, the request is manifestly frivolous or out of proportion to the circumstances.

Authorising Body

Alan J Clark is licensed to act as an Insolvency Practitioner in the UK under the authority of the Institute of Chartered Accountants in England & Wales and holds an enabling bond for the purpose of receiving appointments under his licence.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

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

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

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

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

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

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

Best practice guidance classifies expenses into two broad categories:

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

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

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting,
- Car mileage is charged at the rate of 45 pence per mile,
- Storage of books and records (when not rechargeable as a *Category 1 expense*) is charged by Archive Facilities (Southend) Limited, an associated company. The rates applying as at the date of this report are: Minimum charge of £40 per quarter for up to three boxes, Four to Two Hundred Boxes charged at £11 per quarter per box, over two hundred boxes are charged at half the aforementioned price, (£5.50 per box per quarter). Mileage for collection of books and records is charged at 55p per mile. Provision of cardboard box charged at £2.75 per box. Where Archive Facilities (Southend) Limited are required to physically pack the books and records, there is a minimum charge of 2 hours at £15 per hour per person required, and at £15 per hour for each hour thereafter. All figures stated are net.

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

² *Ibid* 1

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

Services provided by other entities within the Begbies Traynor group

The following items of expenditure which relate to services provided by an entity within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval)

If necessary, the instruction of Eddisons Commercial Limited to provide a valuation of the remaining stock and assets at the proposed company's trading address

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

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

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

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

BEGBIES TRAYNOR CHARGE-OUT RATES

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

Grade of staff	Standard 1 May 2011 – until further notice London
Partner	495
Director	395
Senior Manager	365
Manager	315

Assistant Manager	270
Senior Administrator	235
Administrator	185
Trainee Administrator	160
Support	160

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

Time is recorded in 6 minute units.

The office holder may use the services of BTG Contentious Insolvency Division during the course of the case. BTG Contentious Insolvency Division is a specialist department of the office holder's firm which provides forensic accounting services. The current charge-out rates applying to work carried out by BTG CID are as follows:

Grade of staff	Charge-out rate (£ per hour)
Director	395
Senior Manager	365
Assistant Manager	270