

# Liquidator's Progress Report

# S.192

Pursuant to Sections 92A and 104A and 192  
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

02708414

Name of Company

Richmond-Bolton Construction Limited

I / We

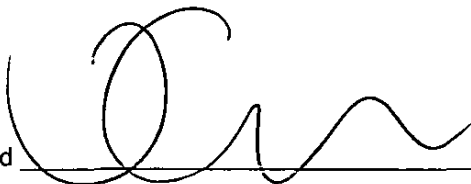
Jason Dean Greenhalgh  
340 Deansgate  
Manchester  
M3 4LY

Paul Stanley  
C/O Begbies Traynor  
340 Deansgate  
Manchester  
M3 4LY

the liquidator(s) of the company attach a copy of my/our Progress Report  
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 06/09/2012 to 05/09/2013

Signed



Date

1 October 2013

Begbies Traynor (Central) LLP  
340 Deansgate  
Manchester  
M3 4LY

Ref RI094CVL/JG/PS/RP/NXM/RT

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## **Richmond-Bolton Construction Limited (In Creditors' Voluntary Liquidation)**

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Progress report pursuant to Section 104A of the  
Insolvency Act 1986 and Rule 4.49C of the  
Insolvency Rules 1986

Period: 6 September 2012 to 5 September 2013

### **Important Notice**

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

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# 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Richmond-Bolton Construction Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators pursuant to Section 98 of the Act on 6 September 2012
"the liquidators", "we", "our" and "us"	Jason Dean Greenhalgh and Paul Stanley of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	<ul style="list-style-type: none"><li>(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and</li><li>(ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)</li></ul>
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

## 2. COMPANY INFORMATION

Trading name(s)	Richmond-Bolton Construction Limited
Company registered number	02708414
Company registered office	340 Deansgate, Manchester, M3 4LY
Former trading address	First Floor Offices, Park Hill Street, Bolton, Lancashire, BL1 4AR

## 3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced.	06 September 2012
Date of liquidators' appointment	06 September 2012
Changes in liquidator (if any)	None

## 4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 6 September 2012 to 5 September 2013. At the end of this section is a description of the receipts and payments, and I have provided a comparison to the Statement of Affairs for your information.

On appointment all of the relevant notices were sent to all parties concerned. Companies House received the notice of appointment and the Statement of Affairs for filing. The Notice of appointment was also advertised in the London Gazette. All creditors received a copy of the report presented at the Section 98 Meeting.

We issued a letter to all employees with the relevant forms to enable claims for outstanding wages and holidays, notice pay and redundancy pay to be made. These forms were sent to the Redundancy Payments Office, 'RPO', who would process and make payments if they believed the claims were valid.

We instructed our agents, Wignall Brownlow, to value and realise the Company's assets. They visited the property owned by the Company and also visited the Company's trading premises where the chattel assets were located. These assets were sold post appointment via auction.

Our first concern was the security of the property owned by the Company. The property was a residential apartment in Worsley, occupied by a tenant whose contract was not due to expire until April 2013.

The Royal Bank of Scotland Plc 'the Bank' had a charge over the property and therefore we needed to establish whether they would be appointing LPA Receivers to sell the property, or whether the Joint Liquidators could remain in control of the Company's asset.

The decision of the Bank was not received for a number of weeks, but in the meantime we ensured that the required insurance cover was put in place, in order to protect their asset. The Bank eventually confirmed that they would allow the Joint Liquidator to sell the property on their behalf. Following confirmation of this we were able to appoint an independent agent to visit, value and market the property for sale. We were also required to establish whether a sale would reach a better outcome if the property was vacant.

We contacted the tenant of the property to advise that the landlord has been placed into liquidation, and that we were requested to sell the property to realise funds for the charge holder. We made the tenant aware that we may be required to give him notice to vacate, should the purchaser require the property to be vacant. The tenant continued to pay his rent obligations as they fell due, therefore creating funds for the Bank in the meantime.

Due to the property being already managed by local agents, Prestige Homefinders, the Joint Liquidators opted to instruct Prestige Homefinders to sell the property on their behalf. Fees were agreed and approved by the charge holder.

We received an offer of £75,000 which was lower than the statement of affairs figure but in line with valuations received for an occupied property. On review, the realisable value of the property with vacant occupation would only result in a sale price of £80,000. The buyers were willing to deal with all formalities of issuing notice to the tenants following completion. In the current climate the offer was considered to be acceptable, by our agents who further confirmed this.

We instructed Bermans LLP to draw up sale contracts and liaise with the estate agents in order to deal with the exchange and completion formalities.

The Statement of Affairs reflected that there were realisable book debts totalling £60,460 from the ledger of over £100,000.

As the debtor ledger consisted of retentions and construction debts, (which are notoriously difficult to collect), we instructed professional agents Naismiths who have an extensive knowledge of the construction industry to collect the debts on our behalf.

Their knowledge and continued efforts resulted in a settlement from one of the largest debtors. Of the £35,460 total debt a respectable settlement figure was agreed of £28,260 which would be paid in three instalments. We have so far received two instalments totalling £17,260. We expect to receive the balance of funds as the liquidation progresses.

The joint liquidators and Naismiths will continue to work together in order to realise more funds for the liquidation.

On appointment we were made aware of a recent withdrawal of funds from the Company's accounts for the benefit of the directors. As this transfer was within the statutory time limits the joint liquidators were required to investigate this matter further.

A letter was sent to the former directors asking them to provide an explanation for the payment. We received in response correspondence from Wilmslow PG Solutions who were acting on behalf of Mr Gregon & Mr Bushell. They advised that the funds were drawn to contra against personal loans to the Company made via personal credit cards which had been used to assist the trading of the business.

Further to correspondence and meetings with all parties involved it was agreed that a settlement would be offered by the former directors as they understood that the transaction was at a preference to other creditors, but there were not in a position to pay back the full payments received.

We accepted a full and final settlement of £14,000 with an initial lump sum payment of £8,000 and a further six instalments of £1,000. These instalments were all received on time and the matter was concluded on 18 August 2013 when the final instalment was received.

VAT returns have been completed and submitted to HM Revenue & Customs for the period in liquidation. The Company was not de-registered for VAT.

We have dealt with creditor correspondence and queries, and updated our records where applicable.

The joint liquidators continue to carry out their statutory duties including compliance reviews, three and six monthly reviews and any other requirements on a timely basis.

Another statutory duty included filing a report with the department of trade and industry on the conduct of the directors and the running of the Company. On appointment we received the Company's books and records, and the director also completed and returned a detailed questionnaire. From the information received we were able to carry out our statutory investigation and submit our statutory report to the Department for Business Innovation and Skills.

#### **Fixed Charge Receipts**

##### **Freehold Land & Property - £74,600**

The sum of £74,600 was realised from the sale of the property. This was less than the Director's statement of affairs but in line with the independent agent's valuation for an unoccupied property in current market conditions. The Joint Liquidators on the recommendation from the agent's, agreed to accept the offer on behalf of the bank.

##### **Rental Payments - £2,975**

The sum of £2,975 was received from the tenant in the property during the period in until the property sale completed.

#### **Fixed Charge Payments**

##### **Royal Bank of Scotland - £70,902**

The sum of £70,902 was paid to Royal Bank of Scotland as a first and final payment under their fixed charge over the property.

##### **Joint Liquidator Fees - £2,083**

The sum of £2,083 was paid to Begbies Traynor on 20 May 2013. This contributed to time incurred whilst dealing with the Company's property. The fee was approved by the secured creditor on the basis of 5% of net realisations.

##### **Management Fees for Rent Collection - £298**

We have paid the sum of £298 paid to Prestige Homefinders for management fees for the tenanted period.

##### **Legal Fees - £2,467**

We have paid the sum of £2,467 to Bermans Solicitors for their professional services in connection with the contract for sale of the property and also validating the secured creditors fixed charge security.

##### **Estate Agent Fees - £1,250**

We have paid the sum of £1,250 paid to Prestige Homefinders to market the property for sale and deal with all aspects in relation to a sale.

##### **Insurance for Apartment - £225**

We have paid the sum of £225 to AUA Insolvency Risk Services to insure the property whilst a sale of the asset was achieved.

### **Floating Charge Receipts**

#### **Office Furniture - £6,600**

The sum of £6,600 was realised from the sale of these unencumbered assets. The director's statement of affairs reflected that the sum of £500 would be realised therefore this is an unexpected improvement on realisation

#### **Office Equipment - £360**

The sum of £360 was realised from the sale of these unencumbered assets. The director's statement of affairs reflected that the sum of £500 would be realised

#### **Motor Vehicles - £3,480**

The sum of £3,480 was realised from the sale of these unencumbered assets. The director's statement of affairs reflected that the sum of £3,000 would be realised

#### **Site Containers - £440**

The sum of £440 was realised from the sale of these unencumbered assets. The director's statement of affairs reflected that the sum of £1,000 would be realised therefore this is lower than expected

#### **Trade Debtors - £28,260**

The directors estimated that we would approximately receive £60,460 from the debt collection exercise, as they believed that there would be no offsetting or disputes. As previously advised, the collection has proved to be difficult and the results to date have been less than satisfactory in comparison to expectations. We do not anticipate any further significant amounts to be collected. The final outcome will be reflected in the final report

#### **Stock - £30**

The sum of £30.00 was received from the sale of the stock. This was not anticipated on the director's statement of affairs

#### **Directors' Loan Settlement - £14,000**

We have received the sum of £14,000 from Mr Gregon and Mr Bushell following investigations into the Company transactions prior to our appointment, detailed above

#### **Insurance Refund - £66**

The total sum of £66 was received as an insurance refund. This amount was due following the cancellation of the insurance policy on the completion of the sale

#### **Business Rates Refund - £14**

The total sum of £14 was received as a business rates refund. This amount was not expected on the Director's statement of affairs. We attribute this to over paid rates in the pre appointment period

#### **Bank Interest - £4**

The sum of £4 was received on account

### **Floating Charge Payments**

#### **Statement of Affairs Fee - £1,500**

The sum of £1,500 was paid to Hayes & Co for their assistance in the preparation of the Statement of Affairs. This fee was approved by creditors at the Section 98 Meeting

#### **Pre Appointment Fees - £5,000**

The sum of £5,000 was paid to Begbies Traynor on 12 October 2012. This was for the preparation of the notices, documents and reports required for the Members Meeting and Section 98 Meeting of Creditors. The pre appointment fee was approved at the Section 98 meeting by creditors voting



**Joint Liquidators Fees - £6,500**

The sum of £6,500 was paid to Begbies Traynor, £1,500 on 18 January 2013 and £5,000 on 7 March 2013. This has been drawn on a time cost basis as approved by creditors at the Section 98 meeting.

**Joint Liquidator Expenses - £164**

The Liquidators Expenses amounts to £164. These are costs for storage, Companies House fees and for Bonding.

**Agent/Valuer's Fees - £800**

We have paid the sum of £800 to Wignall Brownlow LLP for their valuation and inventory of Company assets.

**Agent Expenses - £1,224**

The Agents Expenses amounts to £1,224.

**Land Registry Fees - £12**

We have paid the sum of £12 to Land Registry in order to complete searches on the Company in order to ascertain ownership of premises occupied during trading.

**Mail Re-Direction - £60**

The sum of £60 was paid to Royal Mail. As the trading address was cleared following appointment we insured that all post was received at 340 Deansgate, Manchester in case any debtors sent payment to the trading address.

**Statutory Advertising - £230**

We have a duty to advertise the notice of the Creditors meeting, and also confirm that the appointment of the Joint Liquidators was made. We have so far paid the sum of £230 for this service to Courts Advertising Limited. We will be required to pay a further sum on the closure of the case to advertise the final meeting.

## 5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the director's statement of affairs included within the report sent to creditors further to our appointment as liquidators.

On the basis of realisations to date we estimate an outcome for each class of the Company's creditors as follows:

**Secured creditor**

Royal Bank of Scotland Plc had a Fixed and Floating Charge of £112,101 dated 26 March 1998. Following the sale of the property they received £70,902 under their charge. The balance will be settled by personal guarantees signed by the former director's.

**Preferential creditors**

Preferential claims of employees for arrears of wages, salary and holiday pay were estimated at £18,041.

**Unsecured creditors**

Unsecured creditors were estimated at £1,444,217.

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

### **Secured creditor**

Following the sale of the property the secured creditor was paid the sum of £70,902, this being the balance of funds following costs taken from the sale proceeds. This is a first and final fixed charged distribution.

### **Preferential creditors**

Based upon realisations to date and estimated future realisations, it is anticipated that there will be insufficient funds available to enable a dividend to be paid to the preferential creditors.

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

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property;
- ☐ 20% of net property thereafter,
- ☐ Up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the prescribed part of net property if

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit, (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5))

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

### **Unsecured creditors**

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

## 6. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by a resolution of creditors at the meeting held pursuant to Section 98 of the Act. By reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the liquidation and we are authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, details of which accompanied the Statement of Affairs and other information presented to the meeting of creditors convened pursuant to Section 98 of the Act and which is attached at Appendix 2 of this report

Our time costs for the period from 6 September 2012 to 5 September 2013 amount to £59,345 which represents 378.90 hours at an average rate of £156.62 per hour

The following further information in relation to our time costs and disbursements is set out at Appendix 2

- ☐ Table of time spent and charge-out value for the period 6 September 2012 to 5 September 2013
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

To 5 September 2013, we have drawn the total sum of £8,583 plus disbursements of £164 on account. The sum of £2,083 was taken as fixed charge fees as approved by the charge holder and £6,500 for joint liquidators fees, as approved by creditors at the Section 98 meeting

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2011' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at [www.begbies-traynor.com/creditorsguides](http://www.begbies-traynor.com/creditorsguides). Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy

## 7. LIQUIDATORS' EXPENSES

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

## 8. ASSETS THAT REMAIN TO BE REALISED

The sum of £11,000 is due from a Company debtor. We are currently liaising with our independent agents Naismiths in order to recover these funds. Following receipt of these funds, (which will contribute to the remaining costs of the liquidation), we will look to close the case

## 9. OTHER RELEVANT INFORMATION

### Investigations and reporting on directors conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, as explained in the report circulated at the meeting of creditors convened pursuant

to Section 98 of the Act, such report having also been sent to creditors following the meeting, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Innovation and Skills. We can confirm that we have discharged our duties in these respects.

#### **Investigations carried out to date**

We have undertaken an 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. Following the assessment we have submitted our findings to the Department of Business Innovation and Skills.

As detailed above Company transactions in the run up to the liquidation were investigated and queried. All aspects of this investigation have not satisfactorily concluded.

#### **Connected party transactions**

We are not aware of any connected Companies.

## **10. CREDITORS' RIGHTS**

#### **Right to request further information**

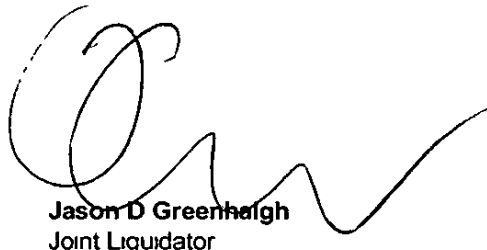
Pursuant to Rule 4.49E of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been detailed in this progress report.

#### **Right to make an application to court**

Pursuant to Rule 4.131 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred as set out in this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

## **11. CONCLUSION**

We will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner.



**Jason D Greenhalgh**  
Joint Liquidator

Dated 1 October 2013

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# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 6 September 2012 to 5 September 2013

**Richmond-Bolton Construction Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**  
**To 05/09/2013**

S of A £		£	£
	<b>SECURED ASSETS</b>		
100,000 00	Freehold Land & Property	74,600 00	
	Rental Payments	2,975 00	
			77,575 00
	<b>COSTS OF REALISATION</b>		
	Joint Liquidators Fees	2,083 33	
	Management Fees for Rent Collection	297 50	
	Legal Fees	2,466 62	
	Estate Agents Fees	1,250 00	
	Insurance for Apartment	225 25	
			(6,322.70)
	<b>SECURED CREDITORS</b>		
(112,101 00)	Royal Bank of Scotland	70,901 88	
			(70,901 88)
	<b>ASSET REALISATIONS</b>		
500 00	Office Furniture	6,600 00	
500 00	Office Equipment	360 00	
3,000 00	Motor Vehicles	3,480 00	
1,000 00	Site Containers	440 00	
60,460 00	Trade Debtors	28,260 00	
	Stock	30 00	
26,150 00	Retentions	NIL	
NIL	Work in Progress	NIL	
	Directors Loan Account Settlement	14,000 00	
	Insurance Refund	66 25	
	Business Rates Refund	13 89	
	Bank Interest Gross	3 55	
			53,253 69
	<b>COST OF REALISATIONS</b>		
	Statement of Affairs Fee	1,500 00	
	Pre Appointment Fees	5,000 00	
	Joint Liquidators Fees	6,500 00	
	Joint Liquidators Expenses	164 29	
	Agents/Valuers Fees (1)	800 00	
	Agents Expenses	1,224 00	
	Irrecoverable VAT	1,068 67	
	Land Registry Fees	12 00	
	Re-Direction of Mail	60 00	
	Statutory Advertising	229 50	
			(16,558 46)
	<b>PREFERENTIAL CREDITORS</b>		
(18,041 00)	Employees re Arrears/Hol Pay	NIL	
			NIL
	<b>UNSECURED CREDITORS</b>		
(1,049,574 00)	Trade Creditors	NIL	
(311,396 00)	HMRC - PAYE	NIL	
(14,528 00)	HMRC - Corporation Tax	NIL	

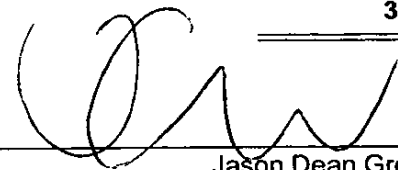
**Richmond-Bolton Construction Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**  
**To 05/09/2013**

S of A £		£	£
17,203 00	HMRC - VAT Refund (Crown Set Off)	NIL	
(10,615 00)	Directors Loan A/c - C Gregori	NIL	
(10,623 00)	Directors Loan A/c - K Bushell	NIL	
(64,684 00)	Employees Notice & Redundancy	NIL	
			NIL
	<b>DISTRIBUTIONS</b>		
(17,001 00)	Ordinary Shareholders	NIL	
			NIL
<b>(1,399,750.00)</b>			<b>37,045.65</b>

REPRESENTED BY  
Vat Receivable  
Bank 1 Current

8 50  
37,037 15

**37,045.65**



Jason Dean Greenhalgh  
Joint Liquidator

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## TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements;
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Table of time spent and charge-out value for the period from 6 September 2012 to 5 September 2013





## STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Statement of Affairs	Davies & Co	£1,500	£1,500	Nil
Pre-Appointment Fees	Begbies Traynor	£5,000	£5,000	Nil
Joint Liquidator Fees	Begbies Traynor	£6,500	£6,500	Nil
Joint Liquidator Expenses	Begbies Traynor	£164 29	£164 29	Nil
Agent Fees	Wignall Brownlow	£800	£800	Nil
Agent Expenses	Wignall Brownlow	£1,224	£1,224	Nil
Irrecoverable VAT	Begbies Traynor	£1,068 67	£1,068 67	Nil
Land Registry Fees	Land Registry	£12	£12	Nil
Mail Re-Direction	Royal Mail	£60	£60	Nil
Statutory Advertising	Courts Advertising	£229 50	£229 50	Nil

## **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 guidance<sup>1</sup> 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 and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. Best practice guidance<sup>2</sup> requires 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 usually 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 incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

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

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting,
- Car mileage is charged at the rate of 45 pence per mile,
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates.
- Displaying properties for sale on the 'Accelerated Property Sales from Begbies Traynor' section of the Begbies Traynor website is charged at the rate of £75.00 per property,

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

<sup>2</sup> Ibid 1

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

- Telephone and facsimile
- Printing and photocopying
- Stationery

#### **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 Manchester office as at the date of this report are as follows

	<b>Standard 1 May 2011 – until further notice Regional</b>
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

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 units 6 minute units