

The Insolvency Act 1986

Administrator's progress report**2.24B**

Name of Company Traffic and Commercial Signs Limited

Company number 02710008

In the High Court of Justice, Birmingham District Registry

Court case number 8261 of 2014

(a) Insert full name(s) and
address(es) of the
administrator(s)

I (a) Mark Bowen of MB Insolvency, Hillcarnie House, St Andrews Road, Droitwich, Worcestershire, WR9 8DJ

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

(b) Insert dates

from 26 /06/14 to 26/12/2014

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Signed


 Administrator

Dated

12 January 2015

Contact Details:

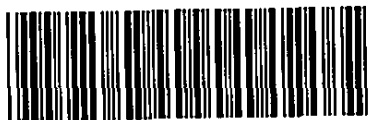
You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

MB Insolvency, Hillcarnie House, St Andrews Road, Droitwich, Worcestershire, WR9 8DJ	
	Tel Number: 01905 776771
Fax Number: 01905 507596	DX Number: N/A

When you have completed and signed this form please send it to the Registrar of Companies at
Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

TUESDAY



A13

20/01/2015

#179

COMPANIES HOUSE

Mark Bowen appointed administrator on 26 June 2014

The affairs, business and property of the Company are being managed by the administrator, who acts as the Company's agent

Traffic and Commercial Signs Limited

(In Administration)

Progress Report of the administrator pursuant to Rule 2.47 of The Insolvency Rules 1986

Period: 26/06/2014 – 26/12/2014

Contents

- ☐ Company and administrators' details
- ☐ Progress during the period
- ☐ Assets that remain to be realised
- ☐ Other relevant information
- ☐ Conclusion
- ☐ Appendices
 - 1 Administrators account of Receipts and Payments (Incorporating estimated Outcome Statement for Creditors)
 - 2. Administrator's time costs and expenses

1. COMPANY AND ADMINISTRATORS' DETAILS

Name of court	Birmingham District Registry
Court reference number	8261 of 2014
Company registered number	02710008
Registered office address	Hillcairnie House, St Andrews Road, Droitwich, Worcestershire WR9 8DJ
Names of administrator	Mark Elijah Thomas Bowen
Date of administrators' appointment	26 June 2014
Person(s) making appointment / application	Raymond Stanley Williams, Director
Changes in office-holder (if any)	None
Acts of the administrator.	The administrator act as officer of the court and as agent of the Company without personal liability Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time
EC Regulations	The EC Regulations on Insolvency Proceedings 2000 do apply and the Company's centre of main interest is in the United Kingdom In accordance with these Regulations, the Administration represents main proceedings

2. PROGRESS DURING THE PERIOD

This report should be read in conjunction with the Administrators Report & Proposals circulated to creditors on 31 July 2014
A copy of these can be made available by contacting the offices of MB Insolvency, Hillcairnie House, St Andrews Road, Droitwich, Worcestershire, WR9 8DJ

During the period since my last report the following activities have been undertaken

- Dealing with creditors enquiries, providing information and receiving and noting proof of debts, investigating retention of title claims
- Assisting employees with P45s, answering queries, dealing with the Redundancy Payments Office regarding payments, providing information to insurers
- Liaising with landlord, overseeing site clearance and exit, settling utility liabilities and additional property costs
- Liaising with debt collection agent and providing supporting information to assist activity
- Providing HM Revenue & Customs details of VAT and Corporation Tax payments throughout the administration
- Taking possession of all Company records and conducting an Investigation as specified below

Receipts & Payments

Details of receipts and payments are detailed in Appendix 1

Further detail available in Section 3 of this report.

Investigations

I have a duty to investigate the extent of the Company's assets, including potential claims against third parties including the directors, and to report my findings to creditors, subject to considerations of privilege and confidentiality and whether those investigations and/or any potential litigation might be compromised

In my Proposals report dated 31 July 2014 I set out the steps I had taken to perform an initial assessment of the Company's circumstances and my preliminary findings

I reported that there were no areas identified that merited further investigation although I would continue to monitor the situation. That position has not changed.

Other relevant information

You may be aware that an administrator also has a duty to consider the conduct of the company's directors and to make an appropriate submission to the Department of Business Innovation and Skills. I can confirm that I have discharged my statutory duty in these respects, the contents of my report, however, must remain confidential.

Statutory Purpose

As detailed in proposals dated 31 July 2014 I considered the most appropriate objective to pursue is as detailed in Paragraph 3 (1) (b) of schedule B1 to The Insolvency Act, namely 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).

I consider that this objective has been achieved due to better than anticipated result for sale of assets at auction and completion of 2 contracts safeguarding payments of c£23,000.00.

Other relevant information

You may be aware that an administrator also has a duty to consider the conduct of the company's directors and to make an appropriate submission to the Department of Business Innovation and Skills. I can confirm that I have discharged my statutory duty in these respects, the contents of my report, however, must remain confidential.

Remuneration

The administrator's remuneration is based on hourly costs at scale rates calculated on the time properly spent in the course of the administration and was approved at the initial meeting of creditors held on 21 August 2014.

Total time spent to date on this assignment amounts to 291.30 hours at an average composite rate of £199.28 per hour resulting in total time costs to date of £58,051.00. Total fees drawn in accordance with the approval of creditors on 31 July 2014 is £59,000.00 (of which £5,500.00 related to pre-administration costs that were approved by creditors).

The following further information as regards time costs and expenses is set out at Appendix 2.

- ☐ MB Insolvency policy for re-charging expenses
- ☐ MB Insolvency charge-out rates
- ☐ Creditors Guide to Administrator's Fees

3. ASSETS THAT REMAIN TO BE REALISED

Debt Collection

There were debtors and outstanding applications for payments at the time of appointment amounting to £116,567.00. Upon review it became apparent that some of the payments would not be forthcoming due to counter claims, disputes and liquidated damages claims.

It was estimated that an amount of £52,283.50 may be collectable.

Debts in the amount of £36,698.75 have been recovered and collection is still on-going.

4. OTHER RELEVANT INFORMATION

As I consider that the purpose of the administration has been achieved and therefore I intend to exit into liquidation in the short term.

5. CONCLUSION

Following these events, my proposed exit from Administration remains as per my initial report to creditors, in that it is anticipated that the company will have sufficient property to enable a distribution to be made to unsecured creditors, subject to final confirmation of preferential claim

As soon as I am satisfied that I have fully discharged my duties as administrator and that the purpose of the administration has been fully achieved, I propose to implement the provisions of paragraph 83 of Schedule B1 to the Act. Under these provisions, on the registration of a notice sent by me to the Registrar of Companies, my appointment as administrator shall cease to have effect, and the Company will automatically be placed into Creditors Voluntary Liquidation

My nomination as liquidator in the subsequent winding up of the company was agreed by creditors at the initial meeting of creditors held on 21 August 2014

I will report again at the conclusion of the administration, or if it becomes necessary at some future time for me to seek creditor consent to extend the period of the administration following the anniversary of my appointment in order to ensure that the objective of the administration can be fully achieved



Mark Bowen
Administrator

Dated 13 January 2015

ADMINISTRATOR'S ACCOUNT OF RECEIPTS AND PAYMENTS, INCORPORATING ESTIMATED OUTCOME FOR CREDITORS

Period 26/06/2014 to 26/12/2014

	Estimated to realise as per Directors SOA	Receipts & Payments to date £	Administrator's Anticipated Receipts & Payments £	Projected Outcome £	Notes
ASSETS SUBJECT TO FLOATING CHARGE					
Office Furniture & Equipment *	700	1 250		1,250	
Plant & Machinery	8 000	13,691		13,691	
Motor Vehicles	29 750	39 400		39,400	
Stock	1 000	3 000		3,000	
Cash at bank	60 927	66 405		66 405	
Rates Refund		99		99	
Bank Interest		6		6	
Debtors not subject to fixed charge	52 283	36 699	15 584	52 283	
		180 550	15 584	176 134	
Payments					
Administrator's disbursements		-	(1,000)	(1 000)	
Administrator's post appointment fees		(53 500)	(20 000)	(73 500)	
Administrator's pre-appointment fee		(5,500)		(5,500)	
Agent's fees & expenses		(8 793)		(8 793)	
Debt Collection Fees			(870)	(870)	
HP Settlement Costs		(1 869)		(1 869)	
Utilities			(215)	(215)	
Bordereau (statutory bond)		(680)		(680)	
Legal fees		(4 309)	-	(4 309)	
Insurance		(468)		(468)	
Property Costs - Rent/Rates		(1,828)	-	(1 828)	
Direct Labour Costs - Finished projects		(808)	-	(808)	
Storage Costs		(790)		(790)	
Meeting Room			(60)	(60)	
Statutory advertising		(142)	(142)	(284)	
		(78,687)	(22 267)	(100 974)	
Available for preferential creditors		81 863		75 160	
Arrears of wages and holiday pay *				(14 811)	1
Net property		81 863		60 349	
Prescribed part of net property set aside for unsecured creditors		-		-	
Available for floating charge holder		81 863		60 349	
Floating Charge Holder - Lloyds Bank TSB Plc **					
				60 349	
Summary of balances held					
Fixed charge					
Floating charge		81 863			
		81 863			
Held as:					
Bank Account		78 960			
VAT (Payable) / Receivable		2 903			
		81 863			
Summary of estimated outcome for unsecured creditors					
Fixed charge					
Prescribed part of net property set aside for unsecured creditors					
Less: costs associated with prescribed part					
Floating charge				81,863	
Available for unsecured creditors				81 863	
** No liability to floating charge holder					
Notes					
1. Awaiting confirmation of preferential claim from RPO					

Traffic and Commercial Signs Limited (In Administration)
Summary of remuneration for Period 26 June 2014 to 26 December 2014

Classification of work	Partner	Senior Manager	Manager	Administrator	Support	Total Units	Time Cost £	Average Rate £/h
Stat Compliance / Admin & Planning	110		60	43		213	5145 00	241 54
Investigation	15		525	82		622	11688 00	187 91
Realisation of Assets	102		1000	66		1168	23672 00	
Creditors			850	13		863	17123 00	198 41
Case Specific Matters				47		47	423 00	90 00
Total						2913	58051 00	199.28
Fees Drawn						Pre appt	53500 00 5500.00	

All time is recorded in units of six minutes. Therefore 1 unit equates to 6 minutes of time recorded.

Charge out Rates:

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

From 13 February 2013
Rates depend on complexity of the case
£300
£225-250
£200
£175
£150
£150
£90

Standard activity

Administration and planning

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

Investigations

SIP 2 review
CDDA reports
Investigating antecedent transactions

Realisation of assets

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

Trading

Management of operations
Accounting for trading
On-going employee issues

Creditors

Communication with creditors
Creditors' claims (including employees' and other preferential creditors')

Case Specific

Landlord and property issues

Traffic and Commercial Signs Limited (In Administration)
Summary of Category 2 Disbursements for Period 26 June 2014 to 26 December 2014

Category 1 disbursements

	Incurred	Paid	Unpaid
	£	£	£
Bond	680 00	680 00	
Advertising	141 54	141 54	
Postage	101.46		101 46
Telephone			
Car Mileage			
Travel			
Subsistence			
External Room Hire	60 00		60 00
External Photocopying			
External Records Removal	790.00	790.00	
Mail Re-direction			
Swear Fee			
Company Search			
Professional Fees			
Other			

Category 2 disbursements

	Incurred	Paid	Unpaid
	£	£	£
Photocopying / Printing	184 62		184.62
Registered Office Fee	125 00		125 00
The Admin System Charge	125 00		125 00
Mileage			
Room Hire			

Category 2 disbursement rates

Photocopying / Printing	£0 17 per sheet
Registered office fee	£125 per annum
Admin System charge	£125 per case
Mileage	£0 45 per mile
Room hire	£60 per hour where held at MBI offices

Traffic and Commercial Signs Limited (In Administration)**Summary of Administration expenses for period 26 June 2014 = 26 December 2014****Nature of expense**

	Provider	Basis of remuneration
Legal Fees	Cameron Legal LLP	Time costs and disbursements
Agents Fees	Deeley Matthews	Time costs and disbursements
Insurance Fees	Marsh Limited	Risk Assessment Premium
Storage	Asset Storage Limited	Scale of Fees
Administrator's Pre Appointment Fees	M B Insolvency	Time costs and disbursements
Debt Collection	Mr Peter Davies	Fixed Fee

Expenses Incurred and paid

	Incurred	Paid	Unpaid
	£	£	£
Cameron Legal LLP	4309 00	4309 00	
Deeley Matthews	8793 37	8793.37	
Marsh Limited	467 46	467 46	
Asset Storage Limited	790 00	790 00	
M B Insolvency	5500 00	5500 00	
Mr Peter Davies	870 00		870 00



Traffic and Commercial Signs Limited – In Administration

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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 Type	Service Provider	Basis of fee arrangement	Cost to date£

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

Charge out rates per hour effective from May 2010

Grade	Hourly Rate (£)	Grade	Hourly Rate (£)
Partner	300	Partner	275-350
Managers	225-250	Senior Manager	225-250
Assistant Managers	200	Manager/Administrator	70-160
Senior Administrator	175	Support Staff	50-100
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



Quantity Surveyors

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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	45p per mile
Insolvency Practitioners System	£125 per case

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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.

Name of professional advisor	Basis of fee arrangement
Cameron Legal LLP	Time costs and disbursements
Deeley Matthews	Time costs and disbursements
Mr Peter Davies	Fixed Fee

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.