

The Insolvency Act 1986

Administrator's progress report

Name of Company
Macob (Southern) Limited

Company number
02719531

In the
High Court of Justice, Chancery Division,
Companies Court
[full name of court]

Court case number
1659 of 2014

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

I/ We (a) W John Kelly of Begbies Traynor (Central) LLP, 3rd Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG and Nigel Price of Begbies Traynor (Central) LLP, 10th Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG

administrator(s) of the above company attach a progress report for the period

(b) Insert dates

from

to

(b) 4 September 2014

(b) 31 January 2015

Signed

Joint / Administrator(s)

Dated

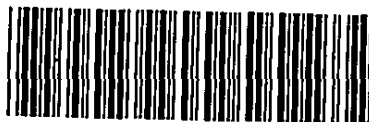
4 February 2015

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.

Begbies Traynor (Central) LLP	
3rd Floor, Temple Point, 1 Temple Row, Birmingham B2 5LG	
	Tel Number 0121 200 8150
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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



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COMPANIES HOUSE

THURSDAY



W John Kelly and Nigel Price were appointed joint administrators on 4 March 2014

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability

Macob (Southern) Limited (In Administration)

Progress report of the joint administrators
pursuant to Rule 2.47 and 2.112 of The
Insolvency Rules 1986

Period: 4 September 2014 to 31 January 2015

Important Notice

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

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Macob (Southern) Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 4 March 2014
"the administrators", "we", "our", "us"	W John Kelly of Begbies Traynor (Central) LLP, 3rd Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG and Nigel Price of Begbies Traynor (Central) LLP, 3 rd Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG
"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"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. STATUTORY INFORMATION

Name of Company	Macob (Southern) Limited
Trading name(s)	As above
Date of Incorporation	2 June 1992
Company registered number	02719531
Company registered office	3rd Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators	W John Kelly, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 3rd Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG and Nigel Price, a Licensed Insolvency Practitioner of Begbies Traynor(Central) LLP, 3rd Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG
Date of appointment	4 March 2014
Date of resignation	n/a
Court	High Court of Justice, Chancery Division, Companies Court
Court Case Number	1659 of 2014
Person(s) making appointment / application	The directors
Acts of the administrators	The administrators act as officers of the court and as agents of the Company without personal liability Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time
EC Regulation on Insolvency Proceedings	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation
Extensions of the administration period	The administration has been extended by six months with the approval of the secured and preferential creditors to 3 September 2015

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 4 September 2014 to 31 January 2015, including a cumulative receipts and payments account from commencement of the Administration on 4 March 2014

The Administrators' main focus during the period of this report has been the collection of the contractual book debts and retentions. Specialist quantity surveyors, Leslie Keats, continue to be engaged by the Administrators to assist with the debt recovery exercise.

RECEIPTS

Bank Interest Gross

During the period of this report, gross bank interest totalling £19.32 has been accrued on the funds held in an interest-bearing bank account.

PAYMENTS

Other Professional Fees – Debt Recovery

The sum of £1,000 (plus VAT) has been paid to Leslie Keats for its assistance with the recovery of the contractual debts.

Storage Costs

The sum of £766.88 (plus VAT) has been paid to L & R Storage Limited in respect of storage and retrieval of the Company's book and records.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our statement of proposals. 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

As previously reported, Barclays Bank plc ("Barclays") holds a fixed and floating charge registered against the Company. The Company was part of a wider group structure and operated within the group's loan and overdraft facility. On appointment, the group debt totalled £7,118,357 (before interest and charges). There was also a further loan of £2,100,000 that was guaranteed across the group.

To date, Barclays have received £10,000 in respect of its floating charge from the Company.

There have been other distributions to Barclays from other members of the Group. We still anticipate that there will be further distributions to Barclays from the Company and across the Group, however, the timing and quantum remains uncertain.

Preferential creditors

As previously reported, at the time of our appointment we did not anticipate any employee claims in this Company because it was understood that all employee claims would be made against Macob Administration Limited (In Administration). We have received a preferential claim from the Redundancy Payments Office ("RPO") totalling £21,982.79 although the status of the claim still needs to be investigated before it can be either accepted or rejected. Subject to clarification of this point and based upon present information, there may be a dividend to preferential creditors although the quantum and timing is uncertain.

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

Details of how the prescribed part for unsecured creditors is calculated were provided in our statement of proposals and in our previous progress reports. 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 there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.

6. PRE-ADMINISTRATION COSTS

As previously reported, we have decided not to seek approval of the pre-administration costs that were unpaid at the date of our appointment in the total sum of £151.50 (plus VAT).

7. THE ADMINISTRATORS' REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by the secured creditor on 16 June 2014 in accordance with Rule 2.106(5A) of the Rules, by reference to the time properly given by us (as administrators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the administration. We are also authorised to draw disbursements for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, details of which accompanied the Statement of Proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report. We have also since written to those creditors that may have a preferential claim and we have obtained consent from this source of creditor as well.

Our time costs for the period from 4 September 2014 to 31 January 2015 amount to £7,756 which represents 31.6 hours at an average rate of £245.44 per hour.

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

- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 4 September 2014 to 31 January 2015
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

To 31 January 2015, we have drawn the total sum of £10,000 on account of our remuneration, against total time costs of £52,114.50 incurred since the date of our appointment. In addition to the time costs information disclosed at Appendix 2 for the period of this report, our previous progress report contained details of the time costs we had incurred as at the date of that report.

To 31 January 2015, we have also drawn disbursements in the sum of £292.32.

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been drawn since the necessary approval was obtained in the total sum of £135 are provided in the narrative summary of time costs incurred which is at Appendix 2.

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

8. ADMINISTRATORS' EXPENSES

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

9. ASSETS THAT REMAIN TO BE REALISED

The following assets remain outstanding:

- Contractual book debts including retentions,
- Recovery of inter-company debtors.

Leslie Keats remain engaged to assist with the reconciliation of the remaining final accounts and retentions. Any return from the inter company debtors continues to remain uncertain as it is dependent upon realisations from the other group companies.

10. OTHER RELEVANT INFORMATION

Extension of administration

The administration has been extended by six months with the approval of the secured and preferential creditors to 3 September 2015.

11. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 2.48A 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 the administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been detailed in this progress report.

Right to make an application to court

Pursuant to Rule 2.109 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court), may within 8 weeks of receipt of this progress report make an application to court on the grounds that the remuneration

charged or the expenses incurred by the administrators as set out in this progress report are excessive or, in relation to the basis fixed for the administrators' remuneration, inappropriate

12. CONCLUSION

Paragraph 76 of Schedule B1 to the Act provides that the appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, the administrator's term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding six months.

In order to ensure that the objective of the administration is achieved and that we have fully discharged our duties as administrators, it is necessary to extend the period of the administration. We have now obtained approval from the administration to be extended by six months to 3 September 2015 from the secured and preferential creditors.

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



W John Kelly
Joint Administrator

Dated 18 February 2015

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 4 September 2014 to 31 January 2015

Macob (Southern) Limited
(In Administration)

Summary of Receipts & Payments

RECEIPTS	Statement of Affairs (£)	From 04/03/2014 To 03/09/2014 (£)	From 04/09/2014 To 31/01/2015 (£)	Total (£)
Office Equipment & Computers		40 00	0 00	40 00
Contracts Debts & Retentions	Uncertain	11,825 00	0 00	11,825 00
VAT Refund	54,715 46	49,987 34	0 00	49,987 34
Bank Interest Gross		1 22	19 32	20 54
		61,853 56	19 32	61,872 88
PAYMENTS				
Office Holders Fees		10,000 00	0 00	10,000 00
Office Holders Expenses		292 32	0 00	292 32
Other Professionals		800 00	1,000 00	1,800 00
Re-direction of mail		120 00	0 00	120 00
Transfer to Macob Administration Limited		6,750 00	0 00	6,750 00
Storage Costs		885 30	766 88	1,652 18
Statutory Advertising		338 40	0 00	338 40
Bank Charges		25 00	0 00	25 00
Distribution to Floating Charge Creditor		10,000 00	0 00	10,000 00
		29,211 02	1,766 88	30,977 90
Net Receipts/(Payments)		32,642 54	(1,747 56)	30,894 98
MADE UP AS FOLLOWS				
Vat Receivable		2,463 20	200 00	2,663 20
Bank 1 Current		30,407 02	287 96	30,694 98
Vat Control Account		(227 68)	(2,235 52)	(2,463.20)
		32,642.54	(1,747 56)	30,894 98

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 Narrative summary of time costs incurred,
- d Table of time spent and charge-out value for the period from 4 September 2014 to 31 January 2015 and
- e Cumulative table of time spent and charge-out value for the period from 4 March 2014 to 31 January 2015

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

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

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

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

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

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

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

Best practice guidance classifies expenses into two broad categories:

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

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

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

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

² *Ibid* 1

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

(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 Birmingham office as at the date of this report are as follows

	Standard
	1 May 2011 –
	until further notice
	Regional
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 6 minute units

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME Macob (Southern) Limited
CASE TYPE ADMINISTRATION
OFFICE HOLDERS W John Kelly AND Nigel Price
DATE OF APPOINTMENT 4 March 2014

1 CASE OVERVIEW

1.1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case

1.2 Complexity of the case

This is a complex case involving a group of companies of which eight companies have been placed into administration. This Company had carried out ground works on sites across the South of England for residential developers and contractors. It ceased to trade shortly before our appointment.

1.3 Exceptional responsibilities

None

1.4 The office holders' effectiveness

The retained staff brought the financial and accounting records up-to-date which included the contract debtors and retentions.

Professional quantity surveyors, Leslie Keats, continue to assist with the realisation of the contract debtors.

1.5 Nature and value of property dealt with by the office holders'

To date, the sum of £11,825 has been realised from contract debtors and retentions. A Pre-appointment VAT refund has realised the sum of £49,987.34.

1.6 Anticipated return to creditors

Secured creditor An interim distribution of £10,000 was paid to the floating chargeholder, Barclays Bank Plc ("Barclays") on 31 July 2014. Based on present information there will be a further distribution to Barclays although the quantum and timing is uncertain.

Preference creditors The position for preferential creditors remains uncertain as the adjudication of the claims for arrears of wages and holiday pay is still under review.

Unsecured creditors Based on present information it is unlikely there will be a dividend available for unsecured creditors.

1.7 Time costs analysis

An analysis of time costs incurred between 4 March 2014 and 31 January 2015 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type.

The time costs analysis provides details of work undertaken by the office holders and their staff following their appointment only.

1 8 The views of the creditors

Any queries from creditors have been dealt with in a timely manner

1 9 Approval of fees

We have obtained the consent of the secured and preferential creditors for our fees

1 10 Approval of Expenses and Disbursements

We have obtained the consent of the secured and preferential creditors for our expenses and disbursements

1 11 Category 2 Disbursements

In accordance with the resolution obtained in relation to expenses and disbursements, the following Category 2 disbursements and disbursements which should be treated as Category 2 disbursements have been charged to the case since the date of my appointment

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Mileage – To and from Chichester	135 50
TOTAL	135 50

1 12 Other professionals employed & their costs

Eversheds LLP were instructed to provide assistance with the legal aspects of placing the companies into administration and all post appointment legal matters. Their fee will be based on a time cost basis.

Leslie Keats were instructed to assist with the contract debtor and retention collection exercise. Their fee will be based on a time cost basis as well as an initial set up fee.

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

2 1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached at Appendix 2.

2 2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 2.

3. SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT

Since the date of our last report, the following work has been carried out

- Dealing with all statutory duties including preparation of the joint administrators' report ,
- Dealing with creditor queries,
- Reviewing correspondence from contract debtors,
- Liaising with Leslie Keats regarding contract debtor realisations,
- Producing update reports for the secured creditor

MACOB (SOUTHERN) LIMITED

Time costs analysis for the period from 04 09 2014 TO 31 01 2015

[illegible]

MACOB (SOUTHERN) LIMITED
Time costs analysis for the period from 04 03 2014 TO 31 01 2015

Staff Grade	Hours								Total hours	Time cost £	Average hourly rate	
	Partner	Director	Senior Manager	Manager	Assistant Manager	Senior Administrator	Administrator	Junior Administrator				
Administration and planning												
Appointment and case planning	5 00	-	1 80	4 00	4 80	-	-	-	-	15 60	4,577	293 40
Administration and banking	9 00	18 90	15 40	4 10	1 90	-	-	-	-	61 50	17,668	287 28
Statutory reporting and statement of affairs	1 90	1 50	4 40	10 50	14 30	-	-	-	-	32 60	8,346	256 01
Investigations												
CDDA and investigations	-	-	-	-	1 90	-	-	-	-	1 90	390	205 00
Realisation of assets												
Debt collection	-	2 20	3 00	5 50	0 80	-	-	-	-	11 50	3,311	287 87
Property, business and asset sales	8 00	-	6 90	-	-	-	-	-	-	14 90	5,299	355 64
Retention of Title/Third party assets	1 10	-	-	-	-	-	-	-	-	1 10	435	395 00
Trading												
Trading	-	-	-	-	-	-	-	-	-	-	-	-
Creditors												
Secured	-	2 10	2 70	-	-	-	-	-	-	4 80	1,562	325 31
Others	0 90	-	4 80	16 50	8 60	-	-	-	-	30 80	7,979	259 06
Creditors' committee	-	-	-	-	-	-	-	-	-	-	-	-
Other matters												
Meetings	-	-	-	-	-	-	-	-	-	-	-	-
Tax	-	-	-	1 00	-	-	-	-	-	2 50	430	172 00
Litigation	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	8 00	-	-	-	-	-	8 00	2,120	265 00
Total hours by staff grade												
	25 90	24 70	39 00	49 60	32 30	-	-	-	-	13 70		185 20
Total time cost by staff grade												
	10 231	8 522	12 090	13 144	6,622	-	-	-	-	1 507	52,115	281 40
Average hourly rate £												
	395 00	345 00	310 00	265 00	205 00					110 00		
Total fees drawn to date												
	10,000											

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Other professional fees	Leslie Keats	1,000 00	1,000 00	Ongoing
Storage costs	L & R Storage Limited	766 88	766 88	Ongoing