

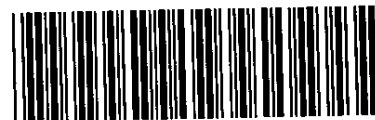
# AM10

## Notice of administrator's progress report



Companies House

FRIDAY



\*A8ZRML21\*

A28

28/02/2020

#260

COMPANIES HOUSE

### 1 Company details

Company number 0 3 3 4 0 2 1 4

Company name in full The Friary Electrical Company Limited

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

### 2 Administrator's name

Full forename(s) Simon John

Surname Killick

### 3 Administrator's address

Building name/number 24 Conduit Place

Street

Post town

London

County/Region

Postcode

W 2 1 E P

Country

### 4 Administrator's name ①

Full forename(s) Jeremy

Surname Karr

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

### 5 Administrator's address ②

Building name/number 24 Conduit Place

Street

Post town

London

County/Region

Postcode

W 2 1 E P

Country

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

AM10

Notice of administrator's progress report

**6** Period of progress report

From date	<sup>d</sup> 2	<sup>d</sup> 6	<sup>m</sup> 0	<sup>m</sup> 7	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9
To date	<sup>d</sup> 2	<sup>d</sup> 5	<sup>m</sup> 0	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0

**7** Progress report

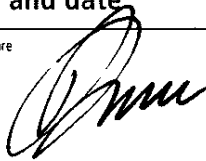
☒ I attach a copy of the progress report

**8** Sign and date

Administrator's  
signature

Signature

X



X

Signature date

<sup>d</sup> 2	<sup>d</sup> 1	<sup>m</sup> 0	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0
-------------------	-------------------	-------------------	-------------------	-------------------	-------------------	-------------------	-------------------

# AM10

## Notice of administrator's progress report



### Presenter information

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

Contact name

Company name

Begbies Traynor (Central) LLP

Address

24 Conduit Place

Post town

London

County/Region

Postcode

W 2 1 E P

Country

DX

Telephone

020 7262 1199



### Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



### Important information

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



### Where to send

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

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



### Further information

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

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

**The Friary Electrical Company Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 26/07/2019 To 25/01/2020 £	From 26/07/2018 To 25/01/2020 £
60,000.00	SECURED ASSETS	
	Goodwill/IPR/Name	NIL
		NIL
	COSTS OF REALISATION	
	Administrators' Fees	2,000.00
	Agents/Valuers Fees	1,000.00
	Legal Fees	1,800.00
		(4,800.00)
(139,700.00)	SECURED CREDITORS	
	Andrew S Kirshen	55,200.00
		(55,200.00)
	ASSET REALISATIONS	
	Bank Interest Gross	128.09
Uncertain	Book Debts	NIL
8,300.00	Cash at Bank	8,349.45
	Licence Fee	1,500.00
7,000.00	Plant & Equipment and Vehicle	7,000.00
	Repayment of funds by Chargeholder	96,756.00
Uncertain	Retentions	NIL
1,000.00	Stock of Materials	1,000.00
55,000.00	Work in Progress	55,000.00
		57.07
		169,733.54
	COST OF REALISATIONS	
	Administrators' Fees	18,000.00
	Agents/Valuers Fees (1)	5,000.00
	Court Fee	50.00
	Legal Fees (1)	6,000.00
	Specific Bond	81.00
	Statutory Advertising	219.00
		(29,350.00)
	FLOATING CHARGE CREDITORS	
	Distribution to Floating Charge Creditor	109,275.16
		(109,275.16)
	UNSECURED CREDITORS	
(62,669.00)	Associated Creditors	NIL
	Dividend 2.43p/£ - Prescribed Part	27,662.09
(27,566.00)	HMRC (non VAT)	NIL
(25,000.00)	HMRC (VAT)	NIL
(898,631.19)	Trade Creditors	NIL
		(27,662.09)
	DISTRIBUTIONS	
(204.00)	Ordinary Shareholders	NIL
		NIL
<b>(1,022,470.19)</b>		<b>57.07</b>
	REPRESENTED BY	
	Bank 1 Current	48,944.83
	Suspense Account	(45,513.54)
	Vat Receivable	15.00
		<b>3,446.29</b>

Simon John Killick and Jeremy Karr were appointed as joint administrators on 26 July 2018

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.

---

## **The Friary Electrical Company Limited (In Administration)**

---

Progress report of the joint administrators

Period: 26 July 2019 to 25 January 2020

### **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.

---

## **Contents**

- ☐ Interpretation
- ☐ Statutory information
- ☐ Details of appointment of administrators
- ☐ Progress during the period
- ☐ Estimated outcome for creditors
- ☐ Pre-administration costs
- ☐ Remuneration and disbursements
- ☐ Expenses
- ☐ Assets that remain to be realised and work that remains to be done
- ☐ Other relevant information
- ☐ Creditors' rights
- ☐ Conclusion
- ☐ Appendices
  - 1. Account of receipts and payments
  - 2. Time costs information
  - 3. Statement of administrators' expenses

## 1. INTERPRETATION

<b><u>Expression</u></b>	<b><u>Meaning</u></b>
"the Company"	The Friary Electrical Company Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 26 July 2018
"the administrators" "we" "our" and "us"	Simon John Killick and Jeremy Karr of Begbies Traynor (Central) LLP, 24 Conduit Place, London, W2 1EP
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (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 Insolvency Act 1986

## 2. STATUTORY INFORMATION

Name of Company	The Friary Electrical Company Limited
Trading name(s):	N/A
Date of Incorporation:	26 March 1997
Company registered number:	03340214
Company registered office:	Beacon House, 113 Kingsway, London, WC2B 6PP

## 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators:	Simon John Killick and Jeremy Karr, both Licensed Insolvency Practitioners of Begbies Traynor (Central) LLP, 24 Conduit Place, London, W2 1EP. Ian Franes of the same office was replaced by Simon John Killick by way of a Block Transfer Order made in the
------------------------------	--

	High Court of Justice on 22 May 2019.
Date of administrators' appointment:	26 July 2018
Date of administrators' resignation:	N/A
Court:	High Court of Justice
Court Case Number:	CR-2018-005838
Person(s) making appointment / application:	Andrew Kirshen, the director of the Company
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.
EU Regulation on Insolvency Proceedings:	Regulation (EU) 2015/848 of the European Parliament and of the Council applies to these proceedings which are the 'main proceedings' within the meaning of Article 3 of the relevant Regulation.
Extensions of the administration period	The period of administration was extended by 12 months to 25 July 2020 with the consent of the Company's secured creditors.

## 4. PROGRESS DURING THE PERIOD

### Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 26 July 2019 to 25 January 2020.

### RECEIPTS

The Company's assets were realised as detailed in our report dated 22 February 2019.

During the period of this report we have received £57.07 interest on the funds held in the bank account.

### Book debts and Retentions

As detailed in our last report a debt collection agent has been instructed to recover retentions and book debts which may be due to the Company. No recovery has yet been made and we are continuing to liaise with the appointed agent.

### PAYMENTS

There have been no further payments made within the period of this report.

**What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?**

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details>. Under the following headings we have explained



the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2.

#### General case administration and planning

- Updating case strategy plan;
- Update of case compliance checklists;
- Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and otherwise does not directly fall into other categories;
- General case updates to include internal meetings on case strategy and effecting instruction;
- Periodic reviews of the case generally;
- Ensure time recording data is compliant with Statement of Insolvency Practice 9;

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. Creditors benefit from this work as it ensures this particular engagement is dealt with to the standards expected and also in a timely fashion. Elements of this work are required to comply with best practice and statute.

#### Compliance with the Insolvency Act, Rules and best practice

- The preparation, drafting and issue of statutory reports and returns to creditors, members, Registrar of Companies and the Court.
- Reviewing the adequacy of the specific penalty bond periodically;
- Ongoing consideration to ethical practice;
- Ongoing consideration to money laundering regulations;
- Updating case checklists and statutory diaries where necessary;

#### Banking:

- Maintaining and managing the insolvent estate bank account and cash book.
- Undertaking regular bank reconciliations of the estate bank account.
- Complying with risk management procedures;
- Preparing and processing cheque requisition forms for the payment of post-appointment invoices;
- Preparing and processing remittance advises for incoming funds;
- Processing of BACS/electronic payments where applicable;

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. It is the duty of the appointed office holders to comply with the Insolvency Act and Rules and creditors benefit from this being done to a standard expected of this firm.

#### Investigations

Administrators are required to carry out investigations into the Company's affairs and submit a report to the Department for Business, Industrial Strategy and Energy under the Company Directors Disqualification Act ("CDDA"). We can confirm that we have discharged our duties in these respects. As the Insolvency Service was satisfied that the director's conduct does not warrant further investigation, there have been no further action taken in this regard in the period of this review. As such, we confirm that we have discharged our duties under the CDDA.

#### Realisation of assets:

- Liaising with debt collection agent/director to recover the retention monies due.

On this assignment, the work detailed above resulted in realisation of assets. The office holders are duty bound to realise and get in the Company's property and maximise asset realisations. In the event that recoveries are made, there will be a direct financial benefit to creditors.

Dealing with all creditors' claims (including employees), correspondence and distributions

- Agree secured creditor's claim.
- Updating schedule of unsecured creditor claims and making a distribution out of prescribed part fund;
- Receipt of creditor claims and input on internal case management software;
- Responded to creditor queries.

On this engagement, there was no direct financial benefit to creditors. The work will also have been undertaken to comply with the Insolvency Act and Rules together with best practice and enabling creditors to have evidence of their loss for tax and VAT purposes.

Other matters which includes seeking decisions from creditors (via Deemed Consent Procedure and/or Decision Procedures), tax, litigation, pensions and travel

- The completion of VAT returns and forms.
- Dealing with queries from HMRC.

Some of the above have no direct financial benefit to creditors but have to be done in order to comply with the Insolvency Rules such as creditors and members meetings, as well as a legal requirement, such as completion of corporation tax returns. Others do have a direct financial benefit to creditors. These include the provision of VAT returns after the liquidation as the majority of VAT will be recoverable and therefore an asset of the insolvent estate.

## 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 and 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 detailed in my previous report, the Company granted a debenture comprising fixed and floating charge over its assets to Andrew S Kirshen on 7 August 2013 which was registered on 15 August 2013. The charge has been verified by our solicitors, Kaur Maxwell Solicitors, and appears to be valid. We have agreed the secured claim at £236,358. Payments of £55,200 under the fixed charge and £109,275.16 under the floating charge, totalling £164,475.16 have been made to the secured creditor, which leaves a shortfall of £71,882.84 to the secured creditor.

### **Preferential creditors**

There are no known preferential claims.

### **Unsecured creditors**

Claims of unsecured creditors were estimated at £1,013,866. To date, we have received 36 claims totalling £1,140,116 from the unsecured creditors including claims of £157,409 from the associated creditor. We have agreed claims totalling £1,139,718.50.

### **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 previous progress reports. Our progress report dated 22 August 2019 also contains details of distributions made to unsecured creditors from the prescribed part pursuant to section 176A of the Act.

### **Effect of administration on limitation periods under the Limitation Act 1980**

As we have previously confirmed, the Limitation Act 1980 continues to apply to all debts due from the Company. Case law indicates that where a company is in administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Company becoming time-barred during the course of the administration, we strongly recommend that you seek independent legal advice on the options available to you to prevent this.

## **6. PRE-ADMINISTRATION COSTS**

As outlined in our previous reports, 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 £2,199.50 plus VAT.

## **7. REMUNERATION & DISBURSEMENTS**

Our remuneration has been fixed by the secured creditor on 13 September 2018 by reference to the time properly given by us and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters as set out in the fees estimate, albeit limited to £20,000. 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.

Our time costs for the period from 26 July 2019 to 25 January 2020 amount to £1,918 which represents 6.2 hours at an average rate of £309.35 per hour. Further information in relation to our time costs is set out at Appendix 2 and provides details of the work undertaken by us and our staff following our appointment only.

To 25 January 2020, we have drawn the total sum of £20,000 on account of our remuneration, against the total time costs of £53,592.50 incurred since the date of our appointment.

Please note that the analysis provides details of the work undertaken by us and our staff following our appointment only.

As can be seen from the information above, we have exceeded the limit of our fees estimate. For avoidance of any doubt, we have not drawn any remuneration in excess of the level approved. The reasons why the estimate has been exceeded are as follows:

- Liaising with agents, solicitors and buyer to realise the assets.
- Liaising with debt collection agent/director in respect of recovery of book debts/retentions.
- Review of records and investigations.

In light of the above, we are obliged to provide the secured creditor with details of the additional work that we propose to undertake along with details of the time and cost of that additional work.

### **Time Costs Analysis**

In addition to the time costs information disclosed at Appendix 2 for the period of this report, a cumulative Time Costs Analysis for the period from 26 July 2018 to 25 January 2020 is also attached at Appendix 2.

## **Disbursements**

Please see the statement of Receipts and Payments for detail of the disbursements drawn.

### **Why have subcontractors been used?**

Leslie Keats, a recovery specialist, has been instructed to recover any sums which may be due from the Company's debtors. They are instructed on a no-win-no-fee basis.

### **Category 2 Disbursements**

There have been no further Category 2 disbursements drawn in the period of this report. Please see our previous report dated 22 August 2019 for details of Category 2 disbursements drawn in relation to the valuation agent's fees.

## **8. ADMINISTRATORS' EXPENSES**

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3. A cumulative statement of expenses also appears at Appendix 3 which details the expenses incurred since the date of our appointment.

### **Expenses actually incurred compared to those that were anticipated**

Creditors will recall that we estimated that the expenses of the administration would total £11,633.50. Unfortunately, the expenses that we have incurred so far have exceeded that estimate and there will be further expenses to pay before the case concludes. The reasons why the estimate has been exceeded are as follows:

- As previously reported, the legal fees exceeded the estimate by £2,800 due to queries being raised by the prospective buyer which prolonged conclusion of sales agreement.

## **9. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE**

As detailed in my previous report, the agents have been instructed to liaise with the former director and the Company's debtors to recover the amounts due to the Company and any retentions outstanding.

### **What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?**

#### General case administration and planning

- The preparation, drafting and issue of progress report to creditors and members;
- Updating case strategy plan;
- Update of case compliance checklists;
- Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and otherwise does not directly fall into other categories;
- General case updates to include internal meetings on case strategy and effecting instruction;
- Ongoing maintenance of up to date information on the electronic case information;
- Periodic reviews of the case generally;
- Completion of six monthly compliance and progression checklists;

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. Creditors benefit from this work as it ensures this particular engagement is dealt with to the standards expected and also in a timely fashion. Elements of this work are required to comply with best practice and statute.

Compliance with the Insolvency Act, Rules and best practice

- Reviewing the adequacy of the specific penalty bond periodically;
- Ongoing consideration to ethical practice;
- Ongoing consideration to money laundering regulations;
- Updating case checklists and statutory diaries where necessary;
- Submission of reports/forms to Companies House;
- Issuing progress reports to all known creditors.

Banking:

- Maintaining and managing the insolvent estate bank account and cash book.
- Undertaking regular bank reconciliations of the estate bank account.
- Complying with risk management procedures;
- Preparing and processing cheque requisition forms for the payment of post-appointment invoices;
- Preparing and processing remittance advises for incoming funds;
- Processing of BACS/electronic payments where applicable;

Closure

- Preparing, reviewing and issuing final progress report to members and creditors;
- Filing of appropriate forms with Registrar of Companies;
- Update physical and electronic case records following closure;

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. It is the duty of the appointed office holder to comply with the Insolvency Act and Rules and creditors benefit from this being done to a standard expected of this firm.

Realisation of assets:

- Liaising with the professional agents and former director in relation to collection of book debts and retentions.

On this assignment, the work detailed above may result in further realisations. The office holders are duty bound to realise and get in the Company's property and maximise asset realisations. In the event that recoveries are made, there will be a direct financial benefit to creditors.

Dealing with all creditors' claims (including employees), correspondence and distributions

- Updating schedule of unsecured creditor claims;
- Receipt of creditor claims and input on internal case management software;
- Taking and dealing with phone calls from creditors;
- Acknowledgment of creditor claims correspondence and/or dealing with further queries on claims;
- Receipt of, consideration of and response to creditor correspondence;
- Issue of notice of intended dividend to creditors and distribution of prescribed part;

On this engagement, the work detailed above will have a direct financial benefit to creditors should a dividend become payable. The work will also have been undertaken to comply with the Insolvency Act and Rules together with best practice and enabling creditors to have evidence of their loss for tax and VAT purposes.

Other matters which includes meetings, tax, litigation, pensions and travel

- The completion of VAT returns;

- Application for de-registration for VAT purposes.
- The Completion of Corporation Tax returns;
- Seeking closure clearance from HMRC;

Some of the above have no direct financial benefit to creditors but have to be done in order to comply with the Insolvency Rules such as creditors and members meetings, as well as a legal requirement, such as completion of corporation tax returns. Others do have a direct financial benefit to creditors. These include the provision of VAT returns after the liquidation as the majority of VAT will be recoverable and therefore an asset of the insolvent estate.

#### **How much will this further work cost?**

We estimate that we would incur further time costs in the region of £6-7,000.

#### **Expenses**

Unfortunately, as outlined in our previous report, the actual expenses incurred to date have exceeded the estimate of expenses anticipated in connection with the works that remains to be done in respect to this administration which has been sent to creditors on 28 August 2018. The details of further expenses that we expect in connection with the work that remains to be done referred to the above are as follows:

Debt collection agent's fee which has been agreed on a no-win-no-fee basis.

## **10. OTHER RELEVANT INFORMATION**

#### **Report on the Director's conduct**

As detailed in our previous report, we have discharged our duties in this respect.

#### **Investigations completed and action taken**

As explained in our Statement of Proposals, we have undertaken an initial assessment of the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect.

#### **Connected party transactions**

The connected-party transactions were reported in our previous reports.

#### **Extension of administration**

The period of administration was extended by 12 months to 25 July 2020 with the consent of the Company's secured creditors.

#### **Proposed exit route from administration**

##### Dissolution

As detailed in our previous report, due to insufficient funds being available to make a distribution to unsecured creditors outside of the Prescribed Part, the administration will be converted into dissolution upon satisfaction of our duties as the administrator of the Company, including fulfilling the purpose of the administration as outlined in our Proposal. Within three months of registration of our notice to dissolve with the Companies House, the Company will be automatically taken off its registrar and deemed to have been dissolved.

### **Use of personal information**

Please note that in the course of discharging our statutory duties as Joint Administrators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorsgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

## **11. CREDITORS' RIGHTS**

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

Pursuant to Rule 18.9 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 *(other than pre-administration costs) which have been incurred during the period of this progress report.*

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

Pursuant to Rule 18.34 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 during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

## **12. CONCLUSION**

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



**Simon Killick**  
Joint Administrator

Dated: 21 February 2020

# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 26 July 2019 to 25 January 2020



**The Friary Electrical Company Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 26/07/2019 To 25/01/2020 £	From 26/07/2019 To 25/01/2020 £
60,000.00	SECURED ASSETS		
	Goodwill/IPR/Name	NIL	60,000.00
		NIL	60,000.00
	COSTS OF REALISATION		
	Administrators' Fees	NIL	2,000.00
	Agents/Valuers Fees	NIL	1,000.00
	Legal Fees	NIL	1,800.00
		NIL	(4,800.00)
(139,700.00)	SECURED CREDITORS		
	Andrew S Kirshen	NIL	55,200.00
		NIL	(55,200.00)
	ASSET REALISATIONS		
	Bank Interest Gross	57.07	128.09
Uncertain	Book Debts	NIL	NIL
8,300.00	Cash at Bank	NIL	8,349.45
	Licence Fee	NIL	1,500.00
7,000.00	Plant & Equipment and Vehicle	NIL	7,000.00
	Repayment of funds by Chargeholder	NIL	96,756.00
Uncertain	Retentions	NIL	NIL
1,000.00	Stock of Materials	NIL	1,000.00
55,000.00	Work in Progress	NIL	55,000.00
		57.07	169,733.54
	COST OF REALISATIONS		
	Administrators' Fees	NIL	18,000.00
	Agents/Valuers Fees (1)	NIL	5,000.00
	Court Fee	NIL	50.00
	Legal Fees (1)	NIL	6,000.00
	Specific Bond	NIL	81.00
	Statutory Advertising	NIL	219.00
		NIL	(29,350.00)
	FLOATING CHARGE CREDITORS		
	Distribution to Floating Charge Creditor	NIL	109,275.16
		NIL	(109,275.16)
	UNSECURED CREDITORS		
(62,669.00)	Associated Creditors	NIL	NIL
	Dividend 2.43p/£ - Prescribed Part	NIL	27,662.09
(27,566.00)	HMRC (non VAT)	NIL	NIL
(25,000.00)	HMRC (VAT)	NIL	NIL
(898,631.19)	Trade Creditors	NIL	NIL
		NIL	(27,662.09)
	DISTRIBUTIONS		
(204.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(1,022,470.19)</b>		<b>57.07</b>	<b>3,446.29</b>
	REPRESENTED BY		
	Bank 1 Current		48,944.83
	Suspense Account		(45,513.54)
	Vat Receivable		15.00
			<b>3,446.29</b>

---

## TIME COSTS INFORMATION

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 26 July 2019 to 25 January 2020 and
- c. Cumulative Time Costs Analysis for the period from 26 July 2018 to 25 January 2020.

## **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. 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 guidance<sup>2</sup> 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 physical meetings of creditors is charged at the rate of (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;

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):

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

<sup>2</sup> Ibid 1

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

(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

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

Grade of staff	Charge-out rate (£ per hour)	Charge-out rate (£ per hour)
	1 May 2011 – 30 November 2018	1 December 2018 – until further notice
Partner	395	495
Director	345	445
Senior Manager	310	395
Manager	265	345
Assistant Manager	205	250
Senior Administrator	175	225
Administrator	135	175
Trainee Administrator	110	140
Support	110	140

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.

Staff Grade	Consultant/ Partner	Director	Snr Mngr	Mngr	Analyst - Forensic	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning											0.00
	Administration	0.1	0.2	2.0					0.7	3.0	916.50	305.50
	<b>Total for General Case Administration and Planning:</b>	<b>0.1</b>	<b>0.2</b>	<b>2.0</b>					<b>0.7</b>	<b>3.0</b>	<b>916.50</b>	<b>305.50</b>
Compliance with the Insolvency Act, Rules and best practice	Appointment											0.00
	Banking and Bonding								0.5	0.5	70.00	140.00
	Case Closure											0.00
	Statutory reporting and statement of affairs			2.3						2.3	793.50	345.00
	<b>Total for Compliance with the Insolvency Act, Rules and best practice:</b>			<b>2.3</b>					<b>0.5</b>	<b>2.8</b>	<b>863.50</b>	<b>308.39</b>
Investigations	CDDA and investigations											0.00
	<b>Total for Investigations:</b>											<b>0.00</b>
Realisation of assets	Debt collection											0.00
	Property, business and asset sales											0.00
	Retention of Title/Third party assets											0.00
	<b>Total for Realisation of assets:</b>											<b>0.00</b>
Trading	Trading											0.00
	<b>Total for Trading:</b>											<b>0.00</b>
Dealing with all creditors claims (including employees), correspondence and distributions	Secured											0.00
	Others											0.00
	Creditors committee											0.00
	<b>Total for Dealing with all creditors claims (including employees), correspondence and distributions:</b>											<b>0.00</b>
	Seeking decisions of creditors											0.00
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel	Meetings											0.00
	Other											0.00
	Tax			0.4						0.4	138.00	345.00
	Litigation											0.00
	<b>Total for Other matters:</b>			<b>0.4</b>						<b>0.4</b>	<b>138.00</b>	<b>345.00</b>
	<b>Total hours by staff grade:</b>	<b>0.1</b>	<b>0.2</b>	<b>4.7</b>					<b>1.2</b>	<b>6.2</b>		
	<b>Total time cost by staff grade:</b>	<b>49.50</b>	<b>79.00</b>	<b>1,621.50</b>					<b>168.00</b>		<b>1,918.00</b>	
	<b>Average hourly rate £:</b>	<b>495.00</b>	<b>395.00</b>	<b>345.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>140.00</b>			<b>309.35</b>
	<b>Total fees drawn to date £:</b>										<b>0.00</b>	

[illegible]

## STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities <b>not</b> within the Begbies Traynor Group				
None				
Expenses incurred with entities within the Begbies Traynor Group ( <i>for further details see Begbies Traynor Charging Policy</i> )				
None				

## CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Expenses incurred with entities <b>not</b> within the Begbies Traynor Group		
Bond Premium	AUA Insolvency Risk Services	81.00
Agent's Fees	Leslie Keats	5,250.00
Legal Fees (debenture validation)	Kaur Maxwell Solicitors	800.00
Legal Fees (licence and sale agreement)	Ward Hadaway Solicitors	7,000.00
Statutory Advertising	EPE Reynell	219.00
Court Fees	High Court of Justice	50.00
<i>Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)</i>		
Agent's Fees	Eddisons Commercial Limited	750.00