

The Insolvency Act 1986

Notice of move from administration to creditors' voluntary liquidation

2.34B

| | |
|--|----------------------------------|
| Name of Company Excel Securities Plc | Company number 03800111 |
| In the High Court, Manchester District Registry | Court case number 808 of 2010 |

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

We (a) Paul Stanley and Andrew David Dick of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY

(b) Insert name and address of
registered office of company

having been appointed administrators of (b) Excel Securities Plc, 340 Deansgate, Manchester, on (c) 1 April 2010 by (d) The Directors

(d) Insert name of applicant /
appointor

hereby give notice that

the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply,

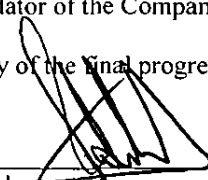
(e) Insert name(s) and
address(es) of liquidator(s)

and it is proposed that (e) Paul Stanley of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY

will be the liquidator of the Company (IP Number(s)008123)

We attach a copy of the final progress report

Signed


Joint Administrator

Dated 22 May 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 | |
| 340 Deansgate Manchester, M3 4LY | |
| | Tel Number 0161 837 1700 |
| Fax Number 0161 837 1762 | DX Number |

If 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

SATURDAY



A07 23/05/2015 #224
COMPANIES HOUSE

Paul Stanley and Andrew David Dick appointed joint administrators on 1 April 2010

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

Excel Securities Plc (In Administration)

Final Progress Report of the joint administrators pursuant to Rules 2.47 and 2.110 of The Insolvency Rules 1986

Period: 01 April 2015 to 22 May 2015

Important Notice

This final 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
- ❑ Outcome for creditors
- ❑ Administrators' proposals
- ❑ Summary of steps taken during the administration
- ❑ Remuneration and disbursements
- ❑ Other relevant information
- ❑ Conclusion
- ❑ Appendices
 - 1 Account of receipts and payments
 - 2 Summary of administrators' proposals, including major amendments to, and deviations from them
 - 3 Time costs and expenses

1. INTERPRETATION

| <u>Expression</u> | <u>Meaning</u> |
|---|---|
| "the Company" | Excel Securities Plc (In Administration) |
| "the administration" | The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 1 April 2010 |
| "the administrators", "we", "our", "us" | Paul Stanley and Andrew David Dick of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY |
| "the Act" | The Insolvency Act 1986 (as amended) |
| "the Rules" | The Insolvency Rules 1986 (as amended) |
| "secured creditor" and "unsecured creditor" | Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act) |
| "security" | <ul style="list-style-type: none">(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 | Excel Securities Plc |
| Trading name(s) | Excel Securities Plc |
| Date of Incorporation | 29 June 1999 |
| Company registered number | 03800111 |
| Company registered office | Clarendon House, 81 Mosley Street, Manchester, M2 3LQ |

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

| | |
|--|--|
| Names of administrators | Paul Stanley and Andrew David Dick, Licensed Insolvency Practitioners of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY |
| Date of appointment | 1 April 2010 |
| Court | High Court, Manchester District Registry |
| Court Case Number | 808 of 2010 |
| 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. |

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 01 April 2015 to 22 May 2015

Floating Charge Receipts

Bank interest received in the period totals £265 65

Net Legal Settlements totalled £4,161 44 and represented a final balance held by our solicitors in relation a litigation settlement in this matter

Floating Charge Payments

Administrators Floating Charge Fees drawn in the period totalled £181,767 04

ATE insurance costs of £25,970 were paid in the period in relation to legal settlements

Corporation tax paid in the period totalled £745 19

Irrecoverable VAT in the period totalled £36,353 41

Bank charges of £23 68 have been incurred during the period

A total of £529,628 59 is available to transfer to the Liquidator

5. OUTCOME FOR CREDITORS

Secured creditors

The Company's secured creditors have experienced multi-million pound shortfalls due to the values of properties used as loan security being reduced in the downward trend of the property market during the period of the administration

Preferential creditors

There are no known preferential claims

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

Details of how the prescribed part is calculated have previously been provided in our statement of proposals and in previous progress reports

The Company is to exit from administration into Creditors' Voluntary Liquidation in accordance with the proposals approved by creditors and the subsequently appointed liquidator will distribute the prescribed part

Unsecured creditors

There have been insufficient realisations to pay a dividend to unsecured creditors other than that of the prescribed part

Ending the administration

Once registered by Companies House (which we anticipate shortly), our appointment as administrators will cease to have effect and the Company will be deemed to be subject to creditors'

voluntary liquidation (with the Paul Stanley, one of the joint administrators, acting in the capacity as liquidator) (Form 2 34 B)

Details of assets to be dealt with in the liquidation in accordance with Rule 2.117(1) of Rules

The following assets are to be dealt with in the liquidation

- Dividends from the bankruptcies and Individual Voluntary Arrangements of various individuals against whom the Company has a claim

6. ADMINISTRATOR'S PROPOSALS

Attached at Appendix 2 is a summary of our proposals as deemed approved under Rule 2 33(5) of the Insolvency Rules 1986 in the absence of an initial meeting of creditors

7. SUMMARY OF STEPS TAKEN DURING THE ADMINISTRATION

Following the appointment, all statutory notices were issued to the Company, its director, creditors, shareholders and registrar of companies in accordance with the Insolvency Act. Notification was also issued to the Company's former accountants, solicitors and insurance brokers.

The director was issued with a letter detailing the effects of our appointment and a questionnaire to complete. A Notice to submit a Statement of Affairs was issued to the sole director, Mr Lawrence Hoffman. The Director's Statement of Affairs was not completed as Mr Hoffman sadly passed away prior to being able to complete it. The administrators, therefore, completed a makeshift Statement of Affairs for their internal files using the information we were able to obtain prior to Mr Hoffman's passing. The Statement of Affairs was not submitted to Companies House.

Notification of the appointment of the administrators was published in the London Gazette. Local advertising was not considered necessary as it was believed that all of the Company's creditors had been identified by the director.

Throughout the administration the administrators maintained bank accounts held with National Westminster Bank and arrangements were made for the Company's bank account to be closed with the funds held being forwarded to the Administrators.

The Company had a number of outstanding loans to various companies and individuals, the vast majority of which were sub-charged to one of the Company's three secured creditor banks. The administrators continued to enforce the Company's security by disposing of properties which had already been subject to enforcement, making attempts to reach settlement agreements with debtors of expired loans, and by commencing enforcement measures where agreements had not been or were unlikely to be reached. Enforcement measures included the appointment of Law of Property Act (LPA) receivers over properties located in England and Wales, or by taking possession of properties located in Scotland. The Law of Property Act is not applicable under Scottish law meaning we were unable to appoint LPA receivers over these properties, having to deal with the matters as mortgagee in possession. Recoveries relating to these properties, including recovery of rental income and loan interest repayments amounted to £8,704,730.87. These recoveries are classed as fixed charge realisations, owing to the Banks' sub-charges.

In addition to the outstanding loans, the Company had been running a small number of litigation cases against property valuers for professional negligence. The administrators continued with the matters that had begun and commenced many more following a review of the Companies files to

determine whether any action may be necessary. Not all actions progressed to settlement, with six cases being dropped at various stages as advised by our lawyers for commercial reasons, uncertainty surrounding the defendant's ability to pay any judgement or the insolvency of the defendant concerned. However, the majority of cases did progress to settlement. Legal settlements totalled £3,546,591.08. The administrators took legal advice at the outset of the administration as to the status of legal settlements in terms of which creditors would be entitled to the net sums recovered. Advice indicates that these recoveries are classed as floating charge realisations, owing to the security documents held by the Company's secured creditors not explicitly covering the prospect of legal settlements, which would lead to the secured creditors being able to bring their own legal action for the same matters as the administrators had already.

Other floating charge assets recovered by the administrators include cash held at the Company's bank upon our appointment, sales of office furniture and equipment, periodic recoveries of minimal sums for historic fees relating to loans the Company had dealt with prior to the administration, and sundry refunds paid to the Company during the administration. In total all floating charge recoveries totalled £3,603,260.88.

Total distributions of both fixed and floating charge realisations made to the secured creditors amounted to £9,951,944.73. This figure is vastly more than had been anticipated by all involved in the administration at the outset.

The Company was never VAT registered, therefore, all VAT paid during the administration has been irrecoverable.

8. REMUNERATION AND DISBURSEMENTS

As previously reported, our remuneration is fixed 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 for attending to matters arising in the administration and we are authorised to draw disbursements, including disbursements for services provided by our firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9), in accordance with our firm's policy, details of which accompanied the *Statement of Proposals of the Joint Administrators for Achieving the Purpose of the Administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 2.33 of the Insolvency Rules 1986*.

The relevant resolutions were approved by the secured creditors pursuant to Rule 2.106 of the Rules.

Total remuneration drawn to 22 May 2015 in accordance with the above approval amounts to £898,666. Total time spent to 22 May 2015 on this assignment amounts to 4,777.40 hours at an average composite rate of £190.79 per hour resulting in total time costs to 22 May 2015 of £911,478.50.

Total time spent in the period 1 April 2015 to 22 May 2015 on this assignment amounts to 40.1 hours at an average composite rate of £203.13 per hour resulting in total time costs of £10,918 in the period.

Total disbursements drawn to 22 May 2015 in accordance with the above approval amounts to £7,012.49.

The following further information as regards time costs and expenses is set out at Appendix 3:

- ☐ Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates
- ☐ Table of time spent and charge-out value

In addition, a copy of 'A Creditors' Guide to Administrators' Fees (E&W) 2010' 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.

9. OTHER RELEVANT INFORMATION

Report on Directors conduct

As detailed in our statement of proposals, we have a duty to submit a report to the Department for Business, Innovation and Skills on the conduct of the directors. We have complied with our duties in this respect.

10. CONCLUSION

Consent to our discharge as administrators has previously been provided by the secured creditors, pursuant to Paragraph 98 of Schedule B1 to the Act. The date of our discharge will coincide with the date on which our appointment as administrators ceases to have effect.

A handwritten signature in black ink, appearing to be 'Paul Stanley', written over a horizontal line.

Paul Stanley
Joint Administrator

Dated 22 May 2015

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 01 April 2015 to 22 May 2015

| Statement of Affairs | From 01/04/2015 To 22/05/2015 | From 01/04/2010 To 22/05/2015 |
|-----------------------------|---------------------------------------|-------------------------------|
| SECURED ASSETS | | |
| | NW/IDB/Leumi - Properties | NIL 350,020 00 |
| | NW/IDB/Leumi - Rent | NIL 12,861 73 |
| 4,759,000 00 | Nat West - Properties/Loan Redemptio | NIL 3,686,525 21 |
| | Nat West - Loan Interest | NIL 20,000 00 |
| | Nat West - Rent | NIL NIL |
| 2,978,000 00 | IDB - Properties | NIL 2,205,677 42 |
| | IDB - Contribution to costs | NIL 6,000 00 |
| | IDB - Rent | NIL 131,984 00 |
| 3,134,000 00 | Bank Leumi - Properties/Loan Redemp | NIL 2,013,792 00 |
| | Bank Leumi - Loan Interest | NIL 216,435 00 |
| | IDB/Leumi - Property (27 Cherry Court | NIL 58,014 34 |
| | IDB/Leumi - Rent (27 Cherry Court) | NIL 3 421 17 |
| | | NIL 8,704,730 87 |
| COSTS OF REALISATION | | |
| | Agents Fees & Disbs - NW/IDB/Leumi | NIL 7,750 20 |
| | Insurance | NIL 36,430 46 |
| | Administrators' Fees (Fixed Charge) | NIL 178 711 43 |
| | Agents Fees & Disbs - NW | NIL 40,126 00 |
| | Agents Fees & Disbursements-IDB | NIL 13,941 00 |
| | Agents Fees & Disbursements - IDB/L | NIL NIL |
| | Legal Fees (Fixed Charge) | NIL 188,930 55 |
| | Legal Disbursements (Fixed Charge) | NIL 9,464 28 |
| | LPA Receivers' Fees | NIL 165 649 27 |
| | LPA Receivers' Disbs | NIL 38,430 26 |
| | Irrecoverable VAT - NW | NIL 50,682 99 |
| | Irrecoverable VAT - IDB (Inc Cherry C | NIL 12,552 09 |
| | Irrecoverable VAT - Bank Leumi | NIL 31,827 85 |
| | Funds held by prev LPA of Hyperion (K | NIL (73,707 26) |
| | Insurance Logs & Sundry Costs - Nat | NIL 12,643 24 |
| | Insurance Logs&Sundry Costs-IDB (in | NIL 42,439 80 |
| | Irrecoverable VAT - NW/IDB/Leumi | NIL 8,913 98 |
| | | NIL (764,786 14) |
| SECURED CREDITORS | | |
| (7,561,000 00) | National Westminster Bank plc | NIL 3,551,145 81 |
| (6,109,000 00) | Israel Discount Bank | NIL 2,339,845 08 |
| (2,518,500 00) | Bank Leumi (UK) Plc | NIL 2,048 953 84 |
| | | NIL (7,939,944 73) |
| ASSET REALISATIONS | | |
| | Funds held by Solicitor | NIL 18,287 45 |
| 200 00 | Furniture & Equipment | NIL 1,636 26 |
| | Motor Vehicles | NIL NIL |
| | Loan Recoveries | NIL 12 883 18 |
| 45,000 00 | Uncalled Share Capital | NIL NIL |
| 3,958 00 | Cash in Hand | NIL 10,437 92 |
| | Loan Interest Received | NIL NIL |
| | Bank Interest Gross | 265 65 7,148 29 |
| | Bank Interest Net of Tax | NIL 534 10 |
| 5,300,000 00 | Legal Settlements (Net) | 4,161 44 3,546,591 08 |
| NIL | Ongoing Litigation | NIL NIL |

| Statement of Affairs | From 01/04/2015 To 22/05/2015 | From 01/04/2010 To 22/05/2015 |
|---|----------------------------------|----------------------------------|
| Sundry Refunds | NIL | 4,242 60 |
| Contribution to Legal Fees (Floating) | NIL | NIL |
| | 4,427 09 | 1 500 00 |
| | | 3,603,260 88 |
| COST OF REALISATIONS | | |
| Legal Fees (Floating Charge) | NIL | 93,374 89 |
| Legal Disbursements (Floating Charge) | NIL | 19 846 55 |
| Administrators' Fees (Floating Charge) | 181 767 04 | 719,954 57 |
| Administrators' Disbs (Floating Charge) | NIL | 7,012 49 |
| ATE Insurance | 25,970 00 | 25 970 00 |
| Property Maintenance/ Sundry Costs | NIL | NIL |
| Expert & Consultant Fees/Disburseme | NIL | 6,279 95 |
| Counsel's Fees & Disbs | NIL | 11,911 50 |
| Witness' Expenses | NIL | 229 00 |
| Corporation Tax | 745 19 | 1,565 66 |
| Irrecoverable VAT | 36 353 41 | 172,037 42 |
| Office Clearance | NIL | 830 00 |
| Printing Costs | NIL | 162 75 |
| Storage Costs | NIL | 1,000 00 |
| Re-Direction of Mail | NIL | 51 92 |
| Statutory Advertising | NIL | 75 60 |
| Bank Charges | 23 68 | 1,329 99 |
| Surplus to CVL | 529 628 59 | 529,628 59 |
| | (774,487 91) | (1,591 260 88) |
| FLOATING CHARGE CREDITORS | | |
| National Westminster Bank Plc | NIL | 1,086 000 00 |
| Israel Discount Bank Plc | NIL | 705,000 00 |
| Bank Leumi (UK) Plc | NIL | 221 000 00 |
| | NIL | (2,012,000 00) |
| UNSECURED CREDITORS | | |
| (489 413 31) Trade & Expense Creditors | NIL | NIL |
| (33,363 46) Employees | NIL | NIL |
| (16,997 86) HM Revenue & Customs | NIL | NIL |
| (4,450,249 18) Loan Note Holders | NIL | NIL |
| | NIL | NIL |
| DISTRIBUTIONS | | |
| (100,000 00) Ordinary Shareholders | NIL | NIL |
| | NIL | NIL |
| (5,058,365.81) | (770,060.82) | (0 00) |

SUMMARY OF ADMINISTRATORS' PROPOSALS, INCLUDING MAJOR AMENDMENTS TO AND DEVIATIONS FROM THEM

Proposals deemed approved under Rule 2.33(5) of the Insolvency Rules 1986

1. The Joint Administrators propose to realise the assets and undertaking of the Company in such a manner as they consider appropriate with a view to achieving the purposes set out in Paragraph 3(2) of Schedule B1 to the Insolvency Act 1986.
2. The Joint Administrators propose in the interim to take all necessary actions to preserve the value of the Company's assets.
3. It is not our normal policy to seek blanket approval on our cases for an automatic 6 month extension to the Administration period, however, in this case given the complexities, the size of the loan book and the problematic nature of the remaining loan portfolio, the Administrators are of the view that there is little realistic prospect of the Administration being concluded within 12 months. It is proposed therefore that a 6 month extension be approved as part of the proposals once the initial statutory 12 month period has expired. If appropriate, the Joint Administrators propose to apply to Court under the provisions of Paragraph 76(2)(a) of Schedule B1 to the Insolvency Act 1986 for an Order that their term of office be extended
4. It is considered unlikely, however if appropriate, the Joint Administrators propose to move from Administration to Creditors' Voluntary Liquidation under the provisions of Paragraph 83 of Schedule B1 to the Insolvency Act 1986. It is proposed that Paul Stanley, a Licensed Insolvency Practitioner regulated by the ICAEW and a partner of Begbies Traynor be appointed Liquidator of the Company. In accordance with Paragraph 83(7) and Rule 2.117(3) of the Insolvency Rules 1986, creditors may nominate a different person to be Liquidator provided that the nomination is made after receipt of the proposals and before the proposals are approved
5. If appropriate, the Joint Administrators propose to take steps to dissolve the Company.
6. In the event that the sale of the Company's assets either in whole or in part involves the disposal of assets subject to security and in the event that the Administrators cannot come to terms with the creditors concerned, the Administrators propose to apply to Court under the provisions of Paragraphs 70, 71 and 72 of Schedule B1 to the Insolvency Act 1986 to dispose of property which is subject to security as if it were not subject to security and goods which are under hire-purchase agreements as if all the rights of ownership under the agreement were vested with the Company.

7. If appropriate, the Joint Administrators propose to apply to Court under the provisions of Paragraph 65(3) of Schedule B1 to the Insolvency Act 1986 for leave to make one or more dividend distributions to creditors whose claims are neither secured nor preferential. If this route is deemed appropriate, the Administration will be exited via dissolution.
8. The joint administrators propose to be remunerated on the basis of their hourly costs at scale rates calculated on the time properly spent in the course of the administration.
9. These proposals shall be subject to such modifications or conditions as the Court may approve or impose.
10. The proposals are conditional upon the passing of a resolution set out in the correspondence between the creditors and the Administrators and subject to such modifications as the Administrators may approve
11. Once the Administration is complete and the Administrators think that the purpose of the Administration has been achieved, then the creditors, in accordance with Paragraph 98(2) of Schedule B1 to the Insolvency Act 1986, hereby consent to the Joint Administrators being discharged from liability in respect of any action as Joint Administrators. The discharge from liability will take effect from the date the Administration Order is discharged.
12. In accordance with Paragraph 52 of Schedule B1 of the Act, it is not the intention of the Joint Administrators to convene a meeting of creditors on the basis that:-

There is insufficient property to enable a distribution to be made to unsecured creditors

In order that the purpose of the administration may be fully achieved, we propose to remain in office as administrators in order to conclude the realisation of the Company's property. The principal matters to deal with in this respect are

- Collect in the Company's loan book,
- Sell properties where loans are in default,
- Conduct litigation,

Following these events we propose to finalise distributions to the secured and preferential creditors (if any come to light)

TIME COSTS AND EXPENSES

- a Begbies Traynor (Central) LLP's policy for re-charging expenses,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Table of time spent and charge-out value for the period 01 April 2015 to 22 May 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. 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 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,

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

² *Ibid* 1

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

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

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

| | Standard 01 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 |

Prior to 01 May 2011, the following rates applied

| | Charge-out Rate |
|-----------------------|----------------------------|
| Grade of staff | (£ per hour) |
| Partner 1 | 395 |
| Partner 2 | 350 |
| Director | 325 |
| Senior Manager | 295 |
| Manager | 250 |
| Assistant Manager | 195 |
| Senior Administrator | 160 |
| Administrator | 130 |
| Trainee Administrator | 100 |
| Support | 100 |

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

[illegible]

[illegible]