

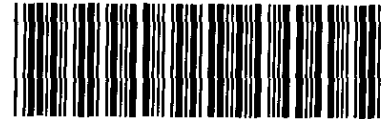
LIQ03

Notice of progress report in voluntary winding up



Companies House

TUESDAY



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04/06/2019

#45

COMPANIES HOUSE

1 Company details

Company number 0 5 3 8 9 3 4 7

Company name in full Six Five Nine Cars Limited

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

2 Liquidator's name

Full forename(s) David Adam

Surname Broadbent

3 Liquidator's address

Building name/number 11 Clifton Moor Business Village

Street James Nicolson Link

Post town Clifton Moor

County/Region York

Postcode Y O 3 0 4 X G

Country

4 Liquidator's name ①

Full forename(s)

Surname

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

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

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

LIQ03

Notice of progress report in voluntary winding up

6 Period of progress report

From date	^d 0	^d 3	^m 0	^m 4	^y 2	^y 0	^y 1	^y 8
To date	^d 0	^d 2	^m 0	^m 4	^y 2	^y 0	^y 1	^y 9

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X

Li Mt.

X

Signature date

^d 2	^d 8	^m 0	^m 5	^y 2	^y 0	^y 1	^y 9
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LIQ03

Notice of progress report in voluntary winding up

**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 **Chris Cox**Company name **Begbies Traynor (Central) LLP**Address
11 Clifton Moor Business Village
James Nicolson LinkPost town **Clifton Moor**County/Region **York**Postcode

Y	O	3	0	4	X	G
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Country

DX **york@begbies-traynor.com**Telephone **01904 479801****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 or email 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



Six Five Nine Cars Limited (In Creditors' Voluntary Liquidation)

Progress report

Period: 3 April 2018 to 2 April 2019

Important Notice

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

Contents

- ❑ Interpretation
- ❑ Company information
- ❑ Details of appointment of liquidator
- ❑ Progress during the period
- ❑ *Estimated outcome for creditors*
- ❑ Remuneration and disbursements
- ❑ Liquidator's expenses
- ❑ Assets that remain to be realised and work that remains to be done
- ❑ Other relevant information
- ❑ *Creditors' rights*
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- ❑ Appendices
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 - 2. Liquidator's time costs and disbursements
 - 3. Statement of Liquidator's expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Six Five Nine Cars Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The Company moving into creditors' voluntary liquidation from administration pursuant to Paragraph 83 of Schedule B1 to the Act
"the liquidator", "me" and "my"	David Adam Broadbent of Begbies Traynor (Central) LLP, 11 Clifton Moor Business Village, James Nicolson Link, Clifton Moor, York, YO30 4XG.
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016
"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. COMPANY INFORMATION

Trading name:	Six Five Nine
Company registered number:	05389347
Company registered office:	11 Clifton Moor Business Village, James Nicolson Link, Clifton Moor, York, YO30 4XG
Former trading address:	39 Layerthorpe, York, YO31 7UZ

3. DETAILS OF APPOINTMENT OF LIQUIDATOR

Date winding up commenced:	3 April 2017
Date of liquidator's appointment:	3 April 2017

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is my abstract of receipts and payments for the period from 3 April 2018 to 2 April 2019.

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 my firm's website - <http://www.begbies-traynorgroup.com/work-details>. Under the following headings I have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but I 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

Periodic reviews have been carried out in order to ensure matters are progressing satisfactorily and that statutory requirements of the relevant legislation are complied with. Generally, it is necessary to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case. Members of our staff have therefore undertaken general administrative duties in order to comply with this requirement. Whilst this work has not benefitted creditors, it is a necessary part of the general control of all insolvency cases.

Compliance with the Insolvency Act, Rules and best practice

I have prepared a progress report in respect of the preceding 12-month period and made it available to the Company's creditors and members. The report was also filed with the Registrar of Companies.

I have ensured that the case remains adequately bonded to protect creditors' interests.

General banking and cashiering duties have been undertaken by support staff, such as such as banking funds, processing payments, invoicing in respect of remuneration and disbursements, maintaining accounting records and carrying out regular bank reconciliations.

The above work has not benefitted creditors financially but was necessary in accordance with insolvency legislation and best practice guidelines.

Investigations

I have complied with my statutory duty to investigate the conduct of the director in relation to the management of the affairs of the Company and the causes of its failure. As detailed further below, my investigations have highlighted certain transactions and matters in relation to the director's conduct which may give rise to a claim against the director personally.

Realisation of assets

Book Debts

The sum of £10,280 was believed to be due from account customers relating to invoices raised prior to the Company entering into administration. Following the lack of engagement by the customers and disputes over the accounts only £632 has been received during the period of this report following my steps to recovery the outstanding balance.

In addition, the sum of £7,791 remained outstanding in respect of account work completed during the former administrators' trading period. A balance of £5,024 (shown as 'Trade Debtors' on the attached summary of receipts and payments) remains outstanding. Steps to recover the outstanding balance from customer has continued; however, my efforts have been protracted and drawn-out due to the customers failing to engage in correspondence and raising disputes/queries over the level of the accounts.

Bank interest Gross

I have received bank interest of £23 following the investment of funds during the reporting period.

Claim against the Company director

As previous reported, there is an ongoing claim against the Company's director, Mr Adrian Smith. Solicitors have been instructed by both parties and throughout the reporting period our respective solicitors have been in correspondence with a view to agreeing a settlement. The claim however is vigorously denied by Mr Smith and no such settlement has yet been agreed. This matter is ongoing.

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

Significant time has been spent dealing with creditor queries and requests for information concerning the progress of the Liquidation and conduct of the previous administration. I have also taken steps to agree creditor claims resulting in a first interim dividend of 20p in the £ being declared to unsecured creditors.

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

Matters included in this category include meetings with the director (as detailed above) and the preparation and submission of tax returns.

This has not benefitted creditors financially but was necessary in accordance with insolvency legislation.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the director's statement of affairs included in the statement of proposals of the former administrators.

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

Secured creditor

There are no known secured creditors.

Preferential creditors

The preferential claim of the Redundancy Payments Office has been paid in full.

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

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

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

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

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

To the best of my 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

I invited all known creditors of the Company to provide particulars of their debts which resulted in 43 creditors submitting claims. Following a review of these claims, a total of 41 claims have been agreed totalling £180,985. Two claims, totalling £47,000, have been rejected (after seeking legal advice).

A breakdown of the agreed claims is as follows:

- HM Revenue & Customs for £51,236 concerning unpaid tax and VAT;
- A claim from a former employee in relation to a loan to the Company for £36,028;
- Claims of £22,611 and £1,003 in respect of banking facilities provided to the Company;
- Claims from 'non-driver' shareholders totalling £37,439 in relation to monies due to them under the terms of their respective shareholders agreement;
- £6,000 following a private loan to the Company by a driver;
- A claim of £4,769 from the Redundancy Payment Office concerning Notice and Redundancy Pay; and
- Other general trade & expense creditors totalling £1,640.

An interim dividend of 20p in the £ was declared to unsecured creditors during the reporting period.

I am withholding funds to cover the projected legal costs should I enter into litigation in relation to the claim against the director. The prospect and timing of any further dividend to unsecured creditors is wholly dependent on the outcome of this claim.

6. REMUNERATION & DISBURSEMENTS

Remuneration & Disbursements

The basis for my remuneration was fixed in the administration by reference to a mixture of the basis allowed; namely a combination of percentage of assets realised and by reference to the time properly given by me and the various grades of my staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP.

Firstly, my remuneration for realisations in respect of the claim against the director was based on a 15% rate of realisations achieved.

In addition, the remuneration for dealing with all other matters, including the statutory compliance areas of the administration, the trading of the business and the subsequent sale, dealing with creditors, plus dealing with all other matters, was agreed on a time cost basis, but limited to £80,000.

This basis carries over into the liquidation by operation of the Rules.

However, as my fees estimate in the administration did not cover the likely costs of the liquidation, I was required to seek approval of my estimate for the liquidation. The liquidator's fee estimate, capped at £20,000 in attending to matters arising in the winding up as set out in the fees estimate, was approved by creditors on 20 June 2018.

Furthermore, creditors' also approved that I may draw disbursements, including disbursements for services provided by my firm and/or entities within the Begbies Traynor group, in accordance with my firm's policy on 20 June 2018.

My time costs for the period from 3 April 2018 to 2 April 2019 amount to £34,189 which represents 127.7 hours at an average rate of £267.73 per hour.

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

- ☐ Time Costs Analysis for the period 3 April 2018 to 2 April 2019
- ☐ Begbies Traynor (Central) LLP's charging policy

To 2 April 2019, I have drawn the total sum of £20,000 on account of my remuneration, against total time costs of £64,819 incurred since the date of my appointment as liquidator.

Time Costs Analysis

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case, and gives the total costs and average hourly rate charged for each work type. An additional analysis is also attached which details the time costs for the entire period for which I have administered the liquidation.

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

As this is my first progress report since the basis of my remuneration was fixed, I am obliged to provide creditors with details of the costs incurred in the period since my appointment and a description of the work undertaken for the period since our appointment.

The costs that were incurred from the date of our appointment to 3 April 2018 amount to £31,368. Details of the costs incurred during the period of this report are stated above.

The information provided in section 4 above relates to the work undertaken during the period of this report. I have set out below details of the work undertaken prior to the period covered by this report so as to avoid any repetition:

General case administration and planning

Includes the initial set-up of the case and the time spent by support staff in dealing with administration duties.

It is necessary to develop and review the strategy in respect of certain key elements, such as asset realisations and investigations, dependent upon the specific circumstances of a case. Periodic reviews are carried out in order to ensure that asset realisations and investigations are progressing satisfactorily and that statutory requirements of the relevant legislation are complied with. Generally, it is necessary to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.

Compliance with the Insolvency Act, Rules and best practice

I have issued notice of my appointment to the necessary parties, filed all required documents with the Registrar of Companies and advertised the required notices in the London Gazette. My support staff have also performed cashiering duties, such as banking funds, maintaining accounting records and invoicing in respect of remuneration and disbursements.

Investigations

I have complied with my statutory duty to investigate the conduct of the director in relation to the management of the affairs of the Company and the causes of its failure. As detailed further below, my investigations have highlighted certain transactions and matters in relation to the director's conduct which may give rise to a claim against the director personally.

Realisation of assets

Transfer from Administration

An amount of £87,802 has been transferred from the previous administration.

Deferred Consideration (Business & Asset Sale)

As previously advised, the business and assets of the Company were sold by the former administrators to 659 Private Hire Limited for £240,000. An element of the sale price was deferred and since my appointment as liquidator the sum of £66,667 has been received. All monies due in relation to the sale has now been received.

Book Debts

The sum of £10,280 was believed to be due from account customers relating to invoices raised prior to the Company entering into administration. Unfortunately only £632 has been received against these outstanding book debts due to the lack of engagement by the customers in responding to my correspondence and/or disputes over the accounts generally.

In addition, at the date the Company transferred from administration to CVL, the sum of £7,791 remained outstanding in respect of account work completed during the former administrators' trading period. A number of accounts have now been settled, however, a balance in the region of £5,000 remained outstanding.

Business Rates Refund

A refund of £35 has been received from the City of York Council.

Bank interest Gross

I have received bank interest of £29 following the investment of funds during the reporting period.

Refund of Account Work

I have received £134 from an account holder following a reconciliation of an account.

Claim against the Company director

Significant time has been incurred in reviewing the conduct of the director during periods prior to the Company entering into administration. My area of investigation has specifically focused on the sale of shares held by the director to drivers and non-drivers and whether or not the sale of such shares was detrimental and has caused a loss to the Company.

Legal advice had been sought in relation to the claim against the director for a breach of his statutory duties as set out in the Companies Act 2006. The exact quantum of the claim was not finalised, however, it is likely to be in excess of £200,000.

A number of meetings were held with the director in relation to the claim and he was invited to make an offer to settle. The claim was vigorously denied by the director and no offer was been received.

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

Significant time has been spent dealing with creditor queries and requests for information concerning the progress of the Liquidation and conduct of the previous administration. Steps were taken to agree creditor claims in anticipation of declaring a first interim dividend.

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

Matters included in this category include meetings with the director (as detailed above) and the preparation and submission of tax returns.

Although the cumulative Time Costs Analysis, stated that my estimate has been exceeded, as creditors will recall, my fee estimate excluded any time specifically relating to dealing with the claim against the director, which the cumulative analysis includes. The basis of the remuneration for dealing with this aspect of the case was agreed in the administration by reference to a percentage (15%) of any recovery made. To date, I have spent in the region of £35,000 of time costs in dealing with this matter, however, have not drawn any remuneration in relation to this work.

My outstanding time costs for dealing with all other matters, besides the realisation of the claim against the director, amounts to £29,819 and was estimated on my fee forecast at £40,177. As detailed above, my costs were to be capped at £20,000 in this regard and these costs have been drawn. I do not anticipate that further fee approval will be required.

7. LIQUIDATOR'S EXPENSES

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

8. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

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

I will ensure that the case is adequately bonded (an insurance to protect the interests of unsecured creditors in the potential asset realisations on a case). This category also includes cashiering duties, such as banking funds, maintaining accounting records and invoicing in respect of remuneration and disbursements, which is undertaken by support staff throughout the duration of the case. It also includes all work undertaken in respect of the closure of the case, such as the final file review and calculation/payment of final fees and expenses.

This will not benefit creditors financially but is necessary in accordance with insolvency legislation.

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Legislation requires insolvency practitioners holding office to:

- Produce progress reports and a final report to all creditors and members;
- File information with the Registrar of Companies including, but not limited to, the required forms and the final report; and
- Advertise certain notices in the London Gazette.

This will not benefit creditors financially but is necessary in accordance with insolvency legislation.

Realisation of assets

As detailed above, I continue to correspond with the director, via our respective solicitors, in relation to the claim against him. I will continue to work with my solicitor to bring this matter to a satisfactory conclusion.

Efforts are also continuing in relation to the recovery of the outstanding book debts and trade debtor accounts. Due to the lack of engagement by customers to my correspondence steps will be taken to instruct solicitors to ensure all funds due to the Company are realised for the benefit of unsecured creditors.

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

I will continue to liaise with creditors generally as and when required. In addition, I anticipate being in a position to declare a further dividend to unsecured creditors should a settlement be agreed in relation to the claim against the director.

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

Time will be spent in preparing and submitting tax returns for periods since the Company entered into administration. I have not accounted for any litigation that might be necessary in respect of the claim against the director.

How much will this further work cost?

Based upon the charge-out rates of the grades of staff that are likely to undertake the work, the estimated cost of the future work, excluding the time costs in pursuing the claim against the director, totals £10,358. However, I have agreed to limit my fee for dealing with the liquidation to £20,000 and therefore any time costs over and above this will be written off.

Expenses

Details of the expenses that I expect to incur in connection with the work that remains to be done referred to above are as set out in the estimate of anticipated expenses attached at Appendix 4.

9. OTHER RELEVANT INFORMATION

Investigations and reporting on directors conduct

I can confirm the duties to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds were discharged by the former Administrators. Nothing further has subsequently come to light which needs reporting to the Department for Business, Energy and Industrial Strategy.

Investigations carried out to date

I have undertaken an initial assessment of the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect.

Connected party transactions

I have not been made aware of any sales of the Company's assets to connected parties during this reporting period.

Information in relation to the sale of the Company's business and assets to 659 Private Hire Limited, an associated Company with common shareholders, was provided in the former Administrators' report and statement of proposals.

Use of personal information

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

10. CREDITORS' RIGHTS

Right to request further information

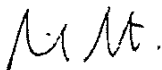
Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that I provide further information about my remuneration or expenses 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 any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for my remuneration is inappropriate.

11. CONCLUSION

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



David Adam Broadbent
Liquidator

Dated: 28 May 2019

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 3 April 2018 to 2 April 2019

Six Five Nine Cars Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs £	From 03/04/2018 To 02/04/2019 £	From 03/04/2017 To 02/04/2019 £
ASSET REALISATIONS		
Bank Interest Gross	23.21	52.63
Book Debts	NIL	632.10
Business Rates Refund	NIL	35.25
Deferred Consideration	NIL	66,666.64
Funds from Merchant Provider	NIL	NIL
Refund of Account Work	NIL	134.00
Transfer from Administration	NIL	87,802.25
	<u>23.21</u>	<u>155,322.87</u>
COST OF REALISATIONS		
Agents Fees (1)	NIL	13,000.00
Driver Account Work	NIL	84.20
Driver Credits	NIL	100.00
Funds Received in Error	NIL	338.35
Gas Supply	NIL	283.27
Insurance of Assets	NIL	450.00
Joint Administrators' Disbursements	NIL	4.62
Joint Administrators' Fees	NIL	35,000.00
Legal Fees	2,725.00	19,505.00
Liquidators' Disbursements	6.25	6.25
Liquidators' Fees	20,000.00	20,000.00
Statutory Advertising	NIL	169.20
Storage Costs	NIL	0.43
Water	NIL	22.10
	<u>(22,731.25)</u>	<u>(88,963.42)</u>
PREFERENTIAL CREDITORS		
Employee Claim (Hol Pay (100p in the £))	706.14	706.14
	<u>(706.14)</u>	<u>(706.14)</u>
UNSECURED CREDITORS		
Banking Facilities (20p in the £)	4,723.03	4,723.03
Director's Loan Account (20p in the £)	4,051.39	4,051.39
Employee Claim (20p in the £)	116.93	116.93
HM Revenue & Customs (20p in the £)	10,247.27	10,247.27
Loans (20p in the £)	10,797.80	10,797.80
Non Driver Shareholder (20p in the £)	6,823.87	6,823.87
Redundancy Payment Office (20p in the £)	953.77	953.77
Trade & Expense Creditors (20p in the £)	1,122.12	1,122.12
	<u>(38,836.18)</u>	<u>(38,836.18)</u>
	<u>(62,250.36)</u>	<u>26,817.13</u>
REPRESENTED BY		
Bank 1 Current		21,248.06
Trade Debtors		5,024.07
Vat Control Account		545.00
		<u>26,817.13</u>

TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 3 April 2018 to 2 April 2019; and
- c. Cumulative Time Costs Analysis for the period from 3 April 2017 to 2 April 2019

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;

(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

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

² Ibid 1

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 York office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour) 1 May 2011 – until further notice
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	60 - 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.

SIP9 Six Five Nine Cars Limited - Creditors Voluntary Liquidation - 83SI157.CVL : Time Costs Analysis From 03/04/2017 To 02/04/2019

Staff Grade	Consultant/Partner	Director	Srct Mgr	Mgr	Asst Mgr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost €	Average hourly rate £	
General Case Administration and Planning	Case planning	3.5	0.1	0.4	0.6		4.5	0.9		10.3	2,515.50	244.22	
	Administration	1.0	1.7	0.6	6.0		3.1	14.2	2.4	26.0	4,626.00	159.52	
	Total for General Case Administration and Planning	4.5	1.8	1.0	6.6		7.6	15.1	2.4	39.5	7,141.50	181.72	
	Compliance with the Insolvency Act, Rules and best practice	Appointment						0.2	0.8		1.0	115.00	115.00
		Banking and Bonding	0.2	0.3				2.1	1.5	10.8	14.9	1,814.50	121.78
		Case Closure											0.00
		Statutory reporting and statement of affairs	1.0		1.0	11.9		2.2			16.1	3,476.50	215.93
	Total for Compliance with the Insolvency Act, Rules and best practice.	1.2	0.3	1.0	11.9		4.5	2.3	10.8	32.0	5,406.00	168.94	
	Investigations	GDPA and investigations	9.0	0.5	0.6	3.6		3.9	1.7		23.9	7,107.50	297.36
		Total for Investigations:	9.0	0.6	0.6	3.6		3.9	1.7		23.9	7,107.50	297.36
Realisation of assets		Debt collection	1.0	0.7		23.0		26.1			50.8	8,196.00	161.38
		Property business and asset sales			18.6	28.1					56.1	15,140.50	269.85
		Retention of Third party assets											0.00
Total for Realisation of assets:	1.0	0.7	18.6	51.1			26.1		106.9	23,336.50	219.32		
Trading	Trading											0.00	
	Total for Trading:											0.00	
	Dealing with all creditors claims (including employees), correspondence and distributions	Secured											0.00
		Others	2.0		8.9	38.8		3.8	2.8		61.5	14,407.50	234.27
		Creditors committee											0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:	2.0		8.9	38.8		3.8	2.8		61.5	14,407.50	234.27	
	Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel	Seeking decisions of creditors		0.5				1.5			2.0	375.00	187.50
		Meetings		5.5		1.0					6.5	2,102.50	323.46
		Other		0.7					1.1		1.8	362.50	201.39
		Tax		0.6		1.0		0.5		1.2	3.3	617.50	187.12
Litigation										8.9	3,960.50	445.00	
Total for Other matters:			16.2		2.0		2.0	4.1	1.2	22.5	7,415.00	329.98	
Total hours by staff grade:		18.0	3.3	27.3	114.2		21.8	40.1	14.4	268.1			
Total time cost by staff grade:	7,110.00	1,031.50	8,736.50	23,411.00		3,163.00	5,401.00	1,614.00		64,819.00			
Average hourly rate £:	395.00	312.58	320.09	205.00	0.00	145.93	110.00	112.08		226.58			
Total fees drawn to date £:												20,000.00	

[illegible]

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Legal Fees	MRC Legal Ltd	13,800.00	2,725.00	11,075.00
Parking (Category 1 Disbursement)	Q Park	6.25	6.25	Nil

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Agents Fee	Eddisons	13,000.00
Insurance of Assets	Eddisons Insurance Services	450.00
Joint Administrators' Disbursements	Begbies Traynor (Central) LLP	4.62
Joint Administrators' Fee	Begbies Traynor (Central) LLP	35,000.00
Legal Fees (Administration Period)	MRC Legal Ltd	7,230.00
Legal Fees	MRC Legal Ltd	6,275.00
Legal Fees (Counsel)	Mr Louis Doyle (Approved in Administration)	6,000.00
Liquidator's Fee	Begbies Traynor (Central) LLP	20,000.00
Statutory Advertising	Courts Advertising Ltd	169.20
Storage Costs	Paperwise Ltd	0.43
Administration trading expenses	Various	827.92
Parking	Q- Park (Category 1 Disbursement)	6.25