

The Insolvency Act 1986

# Notice of move from administration to dissolution

Name of Company  
Cookson Homes WG2 Limited

Company number  
06054459

In the  
High Court of Justice, Chancery Division,  
Leeds District Registry  
  
[full name of court]

Court case number  
1616 of 2010

- (a) Insert name(s) and address(es) of administrator(s) We (a) Bob Maxwell of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds LS1 2JZ and Rob Sadler of Begbies Traynor, 9th Floor, Bond Court, Leeds, LS1 2JZ
- (b) Insert name and address of registered office of having been appointed administrator(s) of (b) Cookson Homes WG2 Limited, 9th Floor, Bond Court, Leeds, LS1 2JZ
- (c) Insert date of on (c) 3 August 2010 by (d) the directors of the Company
- (d) Insert name of applicant / appointor hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

We attach a copy of the final progress report

Signed   
Joint Administrator

Dated 31 January 2014

## 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         |                          |
| 9th Floor, Bond Court, Leeds, LS1 2JZ |                          |
|                                       | Tel Number 0113 244 0044 |
| Fax Number 0113 244 5820              | DX Number                |



When you have completed and signed this form please send it to the Registrar of Companies at  
Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff

Bob Maxwell and Rob Sadler were appointed joint administrators on 3 August 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

---

## **Cookson Homes WG2 Limited (In Administration)**

---

Final Progress Report of the Joint Administrators  
pursuant to Rules 2.47 and 2.110 of The Insolvency  
Rules 1986

Period: 3 August 2010 to 31 January 2014

## **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
- ☐ Expenses
- ☐ Creditors' rights
- ☐ Assets that remain to be realised
- ☐ 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 disbursements
  - 4 Statement of expenses

---

# 1. INTERPRETATION

| <u>Expression</u>                           | <u>Meaning</u>   |
|---|--|
| "the Company"                               | Cookson Homes WG2 Limited (In Administration)  |
| "the administration"                        | The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 3 August 2010  |
| "the administrators", "we", "our", "us"     | Bob Maxwell of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ<br>and<br>Rob Sadler of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ   |
| "the Act"                                   | The Insolvency Act 1986 (as amended)   |
| "the Rules"                                 | The Insolvency Rules 1986 (as amended)   |
| "secured creditor" and "unsecured creditor" | Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)  |
| "security"                                  | (i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and<br><br>(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           | Cookson Homes WG2 Limited                         |
| Trading name              | Cookson Homes                                     |
| Date of Incorporation     | 16 January 2007                                   |
| Company registered number | 06054459  |
| Company registered office | 9 <sup>th</sup> Floor, Bond Court, Leeds, LS1 2JZ |

## 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

|   |  |
|---|--|
| Names of administrators                 | Bob Maxwell, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ and<br><br>Rob Sadler, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ                                |
| Date of appointment                     | 3 August 2010  |
| Court                                   | High Court of Justice, Chancery Division, Leeds District Registry  |
| Court Case Number                       | 1616 of 2010   |
| Persons making appointment              | The Directors 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. |
| EC Regulation on Insolvency Proceedings | The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.  |
| Extensions of the administration period | The administration was extended with the consent of the secured creditor for a period of six months until 2 February 2012 and also extended by order of the court for a period of 24 months until 2 February 2014.   |

## 4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 3 August 2010 to 31 January 2014. Detailed below is a narrative of any receipts and payments for the period of this report, 14 June 2013 to 31 January 2014.

### Receipts

#### **Freehold Land & Property**

The sum of £1,000,000 has been received in consideration for the sale of the remaining plots 2, 3, 11, 12, 13 & 14 at Whitley Willows, Lepton Huddersfield.

#### **Plot 4, Whitley Willows - Deferred Consideration Payments**

We have received a further £8,000 in the period of the agreed deferred consideration of £38,000 from the owners of Plot 4, Whitley Willows.

There is a balance due in the sum of £4,000 which will be distributed to the Clydesdale Bank plc upon receipt.

#### **Land Encroachment Settlement - Plot 5 and 6, Whitley Willows**

As previously reported, the sale of Plots 5 and 6 completed to a single purchaser in mid 2008 and following the build out of the property there has been an encroachment on to land that previously formed part of Plot 7 which has now been sold.

A settlement has been reached in respect of the encroachment and a lump sum payment of £7,500 less legal fees and disbursements has now been received from Eversheds LLP ("our solicitors").

### Payments

#### **Legal Fees and Disbursements**

£95,794 has been paid to our solicitors for their time costs and disbursements for their professional advice and dealing with the plot sales.

#### **Agents Fees**

The sum of £15,050 has been paid to my agents Sanderson Weatherall in relation to their time costs. In addition, disbursements of £725 have also been paid to Sanderson Weatherall.

#### **Utilities**

£3,403 has been paid to Scottish Power in respect of utilities payments for the landlords supply.

#### **Clydesdale Bank PLC**

Distributions totalling £863,000 have been made to Clydesdale Bank ("the Bank").

#### **Insurance**

£4,477 has been paid to Willis Limited in respect of insurance during the period.

#### **Bank Charges**

Bank charges of £25 have been charged by Clydesdale Bank plc in respect of the administration account.

### **Storage Costs**

£601 has been paid to Restore for storage costs for the books and records and the case files up until they can be destroyed

## **5. OUTCOME FOR CREDITORS**

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

### **Secured creditor**

The Bank has been paid the sum of £1,668,946 to date. A final distribution of £5,014 is due to the Bank, made up of the balance at the bank of £1,014 and the outstanding £4,000 deferred consideration when this has been received. Total distributions will amount to £1,673,960.

Due to insufficient realisations, the Bank has suffered a considerable shortfall on its lending.

### **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.

### **Unsecured creditors**

There have been insufficient realisations to pay a dividend to unsecured creditors.

### **Exit from administration**

Once the Notice of move from administration to dissolution (Form 2 35B) has been registered (which we anticipate shortly), our appointment as administrators will cease to have effect and, unless the court makes an order otherwise, the Company will be deemed to be dissolved at the end of the period of three months from the date of registration of the notice.

## **6. ADMINISTRATORS' PROPOSALS**

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

## **7. SUMMARY OF STEPS TAKEN DURING THE ADMINISTRATION**

Since the commencement of the administration we have taken the following steps:

### **Footpath diversion / Adjoining property disputes**

Plots 11 to 14 were affected by the footpath diversion order, boundary and indeterminate land ownership issues. A planning application hearing was held in order to resolve footpath diversion. Extensive professional advice was obtained in this regard which was awarded in our favour.

There were also rights of way disputes with the land owners of the adjoining properties. This involved correspondence and meetings with agents, solicitors and the land owners in order to

resolve these issues. The sale of plots 2, 3, 11, 12, 13 and 14 was conditional of this dispute being resolved by the purchaser.

#### **Plot 4, Whitley Willows**

The sale of Plot 4 completed on 6 July 2009. As previously reported, the buyer owed the Company £21,000 by way of deferred consideration.

A statutory demand was issued in relation to the outstanding monies and the matter was heard on 1 July 2011 in this respect. At a further hearing on 12 July 2011 the debtor successfully applied to have this set aside.

The Joint Administrators subsequently had this judgement overturned at a hearing on 5 September 2011 together with an award for costs, bringing the total amount outstanding to approximately £38,000.

The debtor has paid monthly instalments of £1,500 as agreed which increased to £2,000 in February 2013 and a total of £34,000 has now been received. The remaining £4,000 is to be distributed to the Bank on receipt.

#### **Plot 5 and 6, Whitley Willows**

As previously reported, the sale of Plots 5 and 6 completed to a single purchaser in mid 2008 and following the build out of the property there has been an encroachment on to land that previously formed part of Plot 7 which has now been sold.

A settlement was reached in respect of the encroachment and a lump sum payment of £7,500 has been received in this respect.

#### **Plots 2, 3, 7, 10, 11, 12, 13 & 14, Whitley Willows**

The Joint Administrators have achieved sales of all the above plots totalling £1,955,000.

## **8. REMUNERATION & DISBURSEMENTS**

Our remuneration has been fixed by the secured creditor on 24 January 2011 in accordance with Rule 2.106(5A) of the Rules, by reference to the time properly given by us (as administrators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the administration. We are also authorised to draw disbursements, 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 for achieving the purpose of administration and which are attached at Appendix 2 of this report.

Our time costs for the period from 14 June 2013 to 31 January 2014 amount to £19,545 which represents 78 hours at an average rate of £249 per hour.

Our time costs for the period of the administration, being the period from 3 August 2010 to 31 January 2014 amount to £165,529 which represents 792 hours at an average rate of £209 per hour.

The following further information in relation to our time costs and disbursements is set out at Appendix 3.

- ☐ Narrative summary of time costs incurred
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates
- ☐ Table of time spent and charge-out value for the period 14 June 2013 to 31 January 2014



- Table of time spent and charge-out value for the period 3 August 2010 to 31 January 2014

To date, we have drawn the total sum of £150,000 on account of our remuneration, against total time costs of £165,529 incurred since the date of our appointment. Our unbilled time costs of £15,529 have been written off as irrecoverable

We have drawn disbursements in the sum of £544 83

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](http://www.begbies-traynor.com/creditorsguides). Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy

## 9. EXPENSES

A statement of the expenses incurred and discharged by us during the period of this progress report is attached at Appendix 4

## 10. CREDITORS' RIGHTS

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

Pursuant to Rule 2.48A of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been detailed in this progress report

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

Pursuant to Rule 2.109 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the remuneration charged or the expenses incurred by us as set out in this progress report are excessive or, in relation to the basis fixed for our remuneration, inappropriate

## 11. ASSETS THAT REMAIN TO BE REALISED

There is £4,000 outstanding to be paid in respect of the deferred consideration. When this payment has been received it will be distributed to the Bank together with the balance in hand of £1,014

## 12. OTHER RELEVANT INFORMATION

### **Report on Directors conduct**

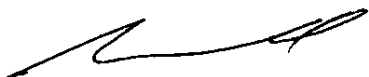
As detailed in our statement of proposals, we have a duty to submit a report to the Department for Business, Innovation and Skills on the conduct of the directors. We have complied with our duties in this respect.

### **Extension of administration**

The administration was initially extended for a period of six months with the consent of the Bank, and for a further 24 months up to 2 February 2014 with the consent of the Court.

## 13. CONCLUSION

Upon filing the Form 2 35B (notice of move from administration to dissolution) the office holders will be granted their discharge and will cease to act as administrators.



**ROBERT A H MAXWELL**  
**Joint Administrator**

Date 31 January 2014

# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 3 August 2010 to 31 January 2014

|  | From 3 August 2010<br>To 13 June 2013<br>(£) | From 14 June 2013<br>To 31 January 2014<br>(£) | Total<br>(£)        |
|--|--|--|---------------------|
| <b>RECEIPTS</b>                        |  |  |                     |
| Freehold Land & Property               | 955,000 00                                   | 1,000,000 00                                   | 1,955,000 00        |
| Deferred Consideration                 | 26,000 00                                    | 8,000 00                                       | 34,000 00           |
| Land Encroachment Settlement           | -  | 7,500 00                                       | 7,500 00            |
| Contribution To Costs -Clydesdale Bank | 1,500 00                                     | -  | 1,500 00            |
| Amenity area charge                    | 250 00                                       | -  | 250 00              |
| Bank Interest                          | 1 70   | -  | 1 70                |
| Rent recharge                          | 2 00   | -  | 2 00                |
| Miscellaneous Income                   | 47 00  | -  | 47 00               |
| Specific Bond Refund                   | 18 00  | -  | 18 00               |
|  | <b>982,818.70</b>                            | <b>1,015,500.00</b>                            | <b>1,998,318 70</b> |
| <b>PAYMENTS</b>                        |  |  |                     |
| Legal Fees & Disbursements             | 27,732 58                                    | 95,793 92                                      | 123,526 50          |
| Agents/Valuers Fees                    | 5,050 00                                     | 10,000 00                                      | 15,050 00           |
| Agents Disbursements                   | 725 00                                       | -  | 725 00              |
| Defects Insurance                      | 1,000 00                                     | -  | 1,000 00            |
| Property Costs                         | 14,589 08                                    | -  | 14,589 08           |
| Building Warranty                      | 13,750 00                                    | -  | 13,750 00           |
| Clydesdale Bank Plc                    | 805,946 00                                   | 863,000 00                                     | 1,668,946 00        |
| Administrators Fees                    | 60,000 00                                    | 90,000 00                                      | 150,000 00          |
| Administrators Disbursements           | 485 28                                       | 59 55  | 544 83              |
| Statutory Advertising                  | 151 20                                       | -  | 151 20              |
| Utilities                              | -  | 3,402 54                                       | 3,402 54            |
| Amenity area charge                    | 250 00                                       | -  | 250 00              |
| Storage costs                          | -  | 601 33   | 601 33              |
| Postage                                | 20 69  | -  | 20 69               |
| Specific bond                          | 36 00  | -  | 36 00               |
| Bank Interest and Charges              | 208 59                                       | 25 00  | 233 59              |
| VAT - Unrecoverable                    | 0 10   | -  | 0 10                |
| Insurance                              | -  | 4,476 98                                       | 4,476 98            |
|  | <b>929,944 52</b>                            | <b>1,067,359.32</b>                            | <b>1,997,303 84</b> |

## MADE UP AS FOLLOWS

|              |                 |
|--------------|-----------------|
| Bank Account | 1,014 86        |
|              | <b>1,014 86</b> |

## 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**

#### ***Purpose of the Administration***

We are required to set out our proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3 of this report

It is not reasonably practicable to achieve either of the objectives specified in sub-paragraph 3(1)(a) and 3(1)(b), and consequently the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(c), namely realising property in order to make a distribution to one or more secured or preferential creditors. We furthermore consider that pursuing this objective should not unnecessarily harm the interests of the creditors of the Company as a whole.

The joint administrators propose that

- 1) The joint administrators will seek to agree creditors' claims generally
- 2) The joint administrators will, if they see fit, make an application pursuant to paragraph 65(3) of Schedule B1 of the Insolvency Act 1986, for the permission of the Court to make a payment by way of a distribution to all or any creditors where such distribution is considered to be in the best interests of creditors as a whole
- 3) The Company shall remain in administration for such period as the joint administrators deem necessary and appropriate
- 4) If necessary, the joint administrators shall have the authority to apply to Court for an extension of the duration of the administration for a period of up to six months (in accordance with the provisions of Schedule B1 paragraph 76(2) of the Insolvency Act 1986)
- 5) In the event that the joint administrators are of the view that it is appropriate for the Company to move from administration into liquidation, the joint administrators be authorised to take steps to place the Company into creditors voluntary liquidation as detailed in the 'Exit from Administration' section in the main body of the report
- 6) In the event that the Company moves to Liquidation the Joint Administrators be appointed as Joint Liquidators
- 7) If the joint administrators consider that there will be no distribution to unsecured creditors, and if they also consider that an exit from administration into liquidation is not appropriate, then the joint administrators be authorised to take the necessary procedural steps to bring about the end of the administration and move the Company into dissolution pursuant to paragraph 84 of Schedule B1 of the Act. For more details of this procedure, please refer to the 'Exit from Administration' section in the main body of the report
- 8) Upon the Company either proceeding into liquidation or dissolution as set out above, the joint administrators discharge from liability, pursuant to paragraph 98 of Schedule

B1 shall take effect fourteen days following either the Company entering into liquidation or filing the Notice moving from administration to dissolution

- 9) For the purposes of Rule 2.106(2)(b) of the Insolvency Rules 1986, the joint administrators' remuneration be fixed on the basis of their hourly costs at scale rates calculated on the time properly spent in the course of the administration and that, subject to full disclosure to creditors in accordance with *Statement of Insolvency Practice 9* issued by the Joint Insolvency Committee on behalf of the administrators' licensing bodies, they may draw their remuneration on account as and when funds permit
- 10) The joint administrators propose that disbursements, including disbursements for services provided by their firm (defined as Category 2 disbursements in *Statement of Insolvency Practice 9*) be charged in accordance with their firm's policy, details of which are set out at Appendix 2. These disbursements will be identified by the administrators and subject to the approval of those responsible for determining the basis of the administrators' remuneration
- 11) Begbies Traynor's costs and expenses relating to planning and acceptance of the appointment be treated as an expense of the administration (albeit incurred prior to the date of appointment) and calculated by reference to the charge out rates in Appendix 3 hereto
- 12) The joint administrators shall have authority to sanction and agree the fees of any solicitors, quantity surveyors or similar agents by reference to the time given by such agents and their staff, in attending to matters arising in the administration
- 13) Without prejudice to the provisions of Section 14 of the Insolvency Act 1986, the joint administrators may carry out all other acts that they may consider to be incidental to the proposals above in order to assist in their achievement of the stated purposes of the administration order or any variation thereto

#### ***Exit from Administration***

##### **Dissolution**

On present information we consider that the Company will have insufficient property to enable a distribution to be made to unsecured creditors. Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to implement the provisions of Paragraph 84 of Schedule B1 to the Act. Under these provisions, on the registration of a notice sent by us to the Registrar of Companies, our appointment as administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

Where an administrator sends such a notice of dissolution to the Registrar of Companies, he must also file a copy of the notice with the court and send a copy to each creditor of the Company, and on application by any interested party the court may suspend or disapply the automatic dissolution of the company.

##### **Creditor's Voluntary Liquidation**

The outcome as regards creditors will be dependant upon the availability of any surplus from the assets after costs of realisation and payment of preferential creditors and the floating charge holder, the Bank. As stated previously, we believe a surplus is very unlikely.

However as administrators we do not have a general power to make a distribution to unsecured creditors and may only do so if the court gives permission. It is considered that the court will only grant such permission in exceptional circumstances where the normal course for making distributions to unsecured creditors in a voluntary liquidation is inappropriate. Additionally there may be matters for enquiry concerning a company's affairs which are not within the scope of an administrator's powers and which can only be properly dealt with by a liquidator.

Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we may to implement the provisions of Paragraph 83 of Schedule B1 to the Act whereby on the registration of a notice sent to the Registrar of Companies, our appointment as administrators shall cease to have effect and the company will automatically be placed into creditors voluntary liquidation Paragraph 83(7) provides

The liquidators for the purpose of the winding up shall be

- (a) a person nominated by the creditors of the company in the prescribed manner and within the prescribed period, or
- (b) if no person is nominated under paragraph (a), the administrator

We confirm that as part of our proposals we seek nomination as liquidators in the subsequent winding up of the Company. Creditors may nominate a different person as the proposed liquidator provided that the nomination is made after the receipt of the proposals and before the proposals are approved. The appointment of a person nominated as liquidator takes effect by the creditor's approval, with or without modification, of the administrators' proposals.

It is proposed that for the purpose of the winding up, any act required or authorised under any enactment to be done by the joint liquidators is to be done by all or any one or more of the persons for the time being holding office.

#### ***Extending the Administration***

It may transpire that it is not possible to finalise the administration as envisaged within one year of the date of our appointment. In particular, this situation will arise if we are not able to conclude the sale of the Company's freehold / long leasehold property. Yet Paragraph 76 of Schedule B1 to the Act provides that the appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, the administrator's term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding six months. It may therefore become necessary at some future time for us to seek creditor consent to extending the period of the administration for up to a further six months following the anniversary of our appointment in order to ensure that the objective of the administration can be fully achieved.

## TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Narrative summary of time costs incurred and,
- d Table of time spent and charge-out value for the period from 14 June 2013 to 31 January 2014
- e Table of time spent and charge-out value for the period from 3 August 2010 to 31 January 2014

## **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. Best practice guidance<sup>2</sup> requires 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 usually 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 incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(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,

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

<sup>2</sup> 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 Leeds Bond Court office as at the date of this report are as follows

|                       | <b>Standard<br/>1 May 2011 –<br/>until further notice<br/>Regional</b> |
|-----------------------|--|
| Partner               | 395  |
| Director              | 345  |
| Senior Manager        | 310  |
| Manager               | 265  |
| Assistant Manager     | 205  |
| Senior Administrator  | 175  |
| Administrator         | 135  |
| Trainee Administrator | 110  |
| Support               | 110  |

Prior to 30 April 2011, the following rates applied

| <b>Grade of staff</b> | <b>Charge-out<br/>Rate<br/>(£ per hour)</b> |
|-----------------------|---|
| Partner               | 395   |
| 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 for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in 6 minute units

## **SUMMARY OF OFFICE HOLDERS' TIME COSTS**

CASE NAME                      Cookson Homes WG2 Limited

CASE TYPE                      Administration

OFFICE HOLDERS                Bob Maxwell and Rob Sadler

DATE OF ADMINISTRATION    3 August 2010

### **1 CASE OVERVIEW**

1 1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case

#### **1 2 Complexity of the case**

The sales of Plot 7 and Plot 10 have been very resource intensive due to the protracted negotiations with the purchasers and their legal advisors and also the undertaking of a range of remedial or snagging works to enable a sale to be completed. As with any land and property related assets the time taken to realise assets and their associated value is uncertain and achieving such a sale, especially on part complete developments, is very resource intensive.

#### **1 3 The office holders' effectiveness**

The office holders' strategy was to achieve sale of all plots of land. This strategy has been achieved.

#### **1 4 Nature and value of property dealt with by the office holders**

One freehold residential property at Whitley Willows and seven plots of land at the same site.

#### **1 5 Anticipated return to creditors**

The secured creditor, Clydesdale Bank Plc, has been paid £1,668,946. They have suffered a significant shortfall on their lending to the Company.

There have been insufficient realisations to pay a dividend to unsecured creditors.

#### **1 6 Time costs analysis**

An analysis of time costs incurred between 3 August 2010 and 31 January 2014 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type.

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

#### **1 7 The views of the creditors**

Creditors were informed of the Appointment of Administrators in a letter dated 9 August 2010 and have subsequently received a copy of the Administrators' proposals dated 24 September 2010 and the Joint Administrators' progress reports dated 25 February 2011, 15 August 2011, 13 December 2011, 12 July 2012, 4 January 2013, and 8 July 2013.

#### **1 8 Approval of fees**

The Joint Administrators have approval from the secured creditor that they may draw their remuneration on a time cost basis and that they may draw their remuneration as and when funds permit.

**1 9 Approval of Expenses and Disbursements**

The Joint Administrators have approval from the secured creditor that they may draw their expenses and disbursements as and when funds permit with their prior approval

**1 10 Other professionals employed & their costs**

Eversheds LLP were appointed as our legal advisors on this case on the basis of experience of similar types of work and capability for specific areas of expertise that we understood would be required

Sanderson Weatherall were appointed as our agents to assist with the sale of the remaining Plots

**2 SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT**

In the period of this report, the following work has been carried out

- Liaising with secured and unsecured creditors,
- Liaising with Council and utility companies,
- Preparation of and issue of statutory documents including the Administrators Final Progress Report,
- Completion of sale of remaining plots,
- Debt collection relating to completed plots,
- Liaising with agents regarding offers,
- Liaising with agents and solicitors regarding purchasers queries,
- Liaising with the management company, and
- Closing the administration

[illegible]

[illegible]

## STATEMENT OF EXPENSES

| Type of expense        | Name of party with whom expense incurred | Amount incurred<br>£ | Amount discharged<br>£ | Balance (to be discharged)<br>£ |
|------------------------|--|----------------------|------------------------|---------------------------------|
| Agents' fees           | Sanderson Weatharall                     | 15,050 00            | 15,050 00              | -                               |
| Agents' disbursements  | Sanderson Weatharall                     | 725 00               | 725 00                 | -                               |
| Legal fees             | Eversheds LLP                            | 123,526 50           | 123,526 50             | -                               |
| Statutory advertising  | Courts Advertising                       | 151 20               | 151 20                 | -                               |
| Bond                   | Marsh Limited/Willis Limited             | 54 00                | 54 00                  | -                               |
| Mileage                | Shell/Asda/Tesco/BP                      | 332 63               | 332 63                 | -                               |
| Storage                | Archive Solutions/Restore                | 625 51               | 625 51                 | -                               |
| Parking                | Leeds City Council/NCP                   | 121 86               | 121 86                 | -                               |
| Companies House Search | Companies House                          | 17 00                | 17 00                  | -                               |
| Postage                | Mailbox Express                          | 20 69                | 20 69                  | -                               |
| Transport              | WY Metro                                 | 7 21                 | 7 21                   | -                               |
| Sundry expenses        | Begbies Traynor                          | 4 23                 | 4 23                   | -                               |
| <b>TOTAL</b>           |  | <b>140,635.83</b>    | <b>140,635.83</b>      | -                               |