

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

06817427

Name of Company

Breach Developments (Swindon) Ltd

We Julie Anne Palmer and Sally Richards of

Begbies Traynor (Central) LLP
65 St Edmunds Church Street
Salisbury
Wiltshire
SP1 1EF

the liquidators of the company attach a copy of our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 30/10/2015 to 29/10/2016

Signed

Richard

Date

8-11-16

Begbies Traynor (Central) LLP
65 St Edmunds Church Street
Salisbury
Wiltshire
SP1 1EF

Ref BR327CVL/JAP/SR/SRC

WEDNESDAY



A5JF1X4R

A12

09/11/2016

#424

COMPANIES HOUSE

**Breach Developments (Swindon) Ltd
(In Creditors' Voluntary Liquidation)**

Progress report

Period: 30 October 2015 to 29 October 2016

Important Notice

This progress report has been produced solely to comply with our 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 liquidators
- ☐ Progress during the period
- ☐ Estimated outcome for creditors
- ☐ Remuneration and disbursements
- ☐ Liquidators' expenses
- ☐ Assets that remain to be realised and work that remains to be done
- ☐ Other relevant information
- ☐ Creditors' rights
- ☐ Conclusion
- ☐ Appendices
 - 1 Liquidators' account of receipts and payments
 - 2 Liquidators' time costs and disbursements
 - 3 Statement of Liquidators' expenses

1 INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Breach Developments (Swindon) Ltd (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators pursuant to Section 98 of the Act on 30 October 2015
"the liquidators", "we", "our" and "us"	Julie Anne Palmer of Begbies Traynor (Central) LLP, 65 St Edmunds Church Street, Salisbury, Wiltshire, SP1 1EF and Sally Richards of Begbies Traynor (Central) LLP, 65 St Edmunds Church Street, Salisbury, Wiltshire, SP1 1EF
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2 COMPANY INFORMATION

Trading name(s)	Breach Developments
Company registered number	06817427
Company registered office	65 St Edmunds Church Street, Salisbury, Wiltshire, SP1 1EF
Former trading address	Nexus, Darby Close, Cheney Manor, Swindon, SN2 2PN

3 DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	30 October 2015
Date of liquidators' appointment	30 October 2015
Changes in liquidator (if any)	Sally Richards of Begbies Traynor (Central) LLP replaced Simon Guy Campbell previously of Begbies Traynor (Central) LLP as joint liquidator on 16 May 2016

4 PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 30 October 2015 to 29 October 2016

Receipts

i) Director's Contributions

During this reporting period the director contributed £4,000 00 towards the costs of placing the Company into liquidation in accordance with our agreement with him

ii) Cash at Bank

We recovered £3,554 93 from the Company's bank account which was slightly less than the estimated to realise amount in the statement of affairs

Interest of £0 56 also accrued over the period

Payments

i) Statement of Affairs Fee

We have been paid £6,950 00 towards our Statement of Affairs fee of £7,000 00

ii) Liquidators Fees and Expenses

To date we have incurred and paid £139 88 in case related expenses

ii) Statutory Advertising

We have satisfied our statutory advertising costs to date of £169 20

We have been liaising throughout the period with the LPA Receiver appointed by the secured creditor with regard to progress on the sale of the property. The LPA Receiver has requested we keep the liquidation open until the sale is finalised

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

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details>. Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

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

General case administration and planning

Time recorded under this category included

- Filing
- Dealing with general calls
- Dealing with routine correspondence and emails
- Maintaining physical case files and electronic records
- Maintaining the liquidators' bank account

- Completing case reviews and bond reviews

The majority of the above work derived no financial benefit for creditors. However, the Insolvency profession is a highly regulated industry and we are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.

All of the work in the category is required under the Insolvency Act and Rules.

Compliance with the Insolvency Act, Rules and best practice

Time recorded under this category included:

- Statutory advertising
- Undertaking statutory notifications to Companies House and the creditors
- Calculating the required bond and conducting bond reviews
- Preparing statutory reports and returns

The majority of the above work derived no financial benefit for creditors. However, the Insolvency Profession is a highly regulated industry and we are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.

Investigations

Time recorded under this category included:

- Reviewing the Company's bank statements and listing all connected party transactions
- Reviewing the bank statements to determine whether there were any preference claims against any party
- Reviewing the financial statements for unlawful dividends

This work had a direct financial benefit for creditors as it resulted in us reducing the directors' claims against the Company. We have also satisfied our statutory duty to investigate the Company's affairs and to report to the Department of Business, Energy and Industrial Strategy on the directors' conduct.

Realisation of assets

Time recorded under this category included:

- Corresponding and chasing the Company's bank in relation to transferring the credit balance

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

Time recorded under this category included:

- Dealing with creditor correspondence, emails and telephone conversations
- Maintaining up to date creditor information and amending claims

Best practice means that we have to respond to creditor queries in a timely manner.

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

Time recorded under this category included:

- Notifying HMRC of the liquidation and deregistering the Company from VAT
- Completing tax returns when required

5 ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (as detailed in the directors' statement of affairs) are as follows

Secured creditors

The property at Commercial Road, Swindon is subject to a fixed charge granted to Clydesdale Bank. The fixed charge was dated 15 September 2009 made between Breach Developments (Swindon) Limited and Clydesdale Bank plc

Preferential creditors

There are no preferential creditors

Unsecured creditors

Unsecured creditors were estimated at £8,637.47

On the basis of realisations, the outcome for each class of the Company's creditors is as follows

Secured creditor

Pursuant to the terms of an agreement dated 5 June 2015 Clydesdale assigned to Promontora (Henrico) Limited the Charge and monies owed secured by that Charge

This charge has not been registered at Companies House. However, the fixed chargeholder has now appointed LPA Receivers over the property

Preferential creditors

There are no known preferential claims

Unsecured creditors

We confirm that no dividend is available for unsecured creditors as the funds realised have already been distributed or used or allocated for defraying the expenses of the liquidation. Consequently we have not taken steps to formally agree the claims of unsecured creditors. Please take this as notice that no dividend will be declared

6 REMUNERATION & DISBURSEMENTS

Remuneration

We did not request creditors to approve the basis of our post appointment remuneration given the Company's limited asset position but reserved our right to pay same should funds become available. The VAT has been reclaimed on payment of the Statement of Affairs fee and to date, these funds have been utilised to pay the expenses of the liquidation

Our time costs for the period from 30 October 2015 to 29 October 2016 amount to £6,462.50 which represents 26.3 hours at an average rate of £245.72 per hour

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

- ☐ Time Costs Analysis for the period 30 October 2015 to 29 October 2016
- ☐ Begbies Traynor (Central) LLP's charging policy

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

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

Work undertaken prior to appointment

The costs relating to work undertaken prior to our appointment in summoning, advertising and holding the creditors' meeting and assisting the directors in preparing the statement of affairs were approved by the creditors at the Section 98 meeting

Disbursements

To 29 October 2016, we have also drawn disbursements in the sum of £139 88

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been taken in accordance with the approval obtained are provided in the narrative summary of time costs incurred which is at Appendix 2

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2011' which provides guidance on creditors' rights on how to approve and monitor a Liquidator'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

7 LIQUIDATORS' 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

We are awaiting the LPA Receiver appointed by Promontoria (Henrico) Limited to sell the commercial property. However the liquidator will receive no assets realisations from the sale as there is a shortfall to the secured creditor.

9 OTHER RELEVANT INFORMATION

You may be aware that a liquidator has a duty 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. In addition, as explained in the report circulated at the meeting of creditors convened pursuant to Section 98 of the Act, such report having also been sent to creditors following the meeting, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Innovation and Skills. We can confirm that we have discharged our duties in these respects.

10 CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 4.49E of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may

request in writing that the we provide further information about our remuneration or expenses which have been detailed in this progress report

Right to make an application to court

Pursuant to Rule 4.131 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 as set out in this progress report are excessive or, the basis fixed for our remuneration is inappropriate

11 CONCLUSION

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

A handwritten signature in black ink, appearing to read 'Sally Richards', is written over the printed name.

Sally Richards
Joint Liquidator

Dated 8 November 2016

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 30 October 2015 to 29 October 2016

S of A £		£	£
	SECURED ASSETS		
350,000 00	Freehold Land & Property	NIL	
			<u>NIL</u>
	SECURED CREDITORS		
(444,325)	Chargeholder (1)	NIL	
			<u>NIL</u>
	ASSET REALISATIONS		
3,570	Cash at Bank	7,554 93	
	Bank Interest Gross	0 56	
			<u>7,555 49</u>
	COST OF REALISATIONS		
	Statement of Affairs Fee	6,950 00	
	Liquidators' Expenses	139 88	
	Statutory Advertising	169 20	
			<u>(7 259)</u>
	UNSECURED CREDITORS		
(8,634)	Trade Creditors	NIL	
(1)	HMRC (VAT)	NIL	
			<u>NIL</u>
	DISTRIBUTIONS		
(40,000)	Ordinary Shareholders	NIL	
			<u>NIL</u>
(139,391)			<u><u>296 41</u></u>
	REPRESENTED BY		
	Bank 1 Current		6 41
	Vat Control Account		290 00
			<u><u>296 41</u></u>

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

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

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

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

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

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

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

Best practice guidance classifies expenses into two broad categories:

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

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

- 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.

Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.

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 Salisbury office as at the date of this report are as follows

	Standard 1 May 2011 – until further notice Regional
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

SIP9 Breach Developments (Swindon) - Creditors Voluntary Liquidation - 258R327.CVL : Time Costs Analysis From 30/10/2015 To 03/11/2016

Staff Grade	Consultant/Partner	Director	Sr Mgr	Mngr	Asst Mngr	Sr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	0.6	0.2							0.8	306.00	382.50
	Administration		3.9	3.3	0.2			0.2	1.5	9.1	2,600.50	286.65
	Total for General Case Administration and Planning	0.6	4.1	3.3	0.2			0.2	1.5	9.9	2,914.50	294.38
	Appointment							0.2		0.2	22.00	110.00
Compliance with the Insolvency Act, Rules and best practice	Banking and Bonding							4.4	2.1	6.5	715.00	110.00
	Case Closure											0.00
	Statutory reporting and statement of affairs			2.5						2.5	775.00	310.00
	Total for Compliance with the Insolvency Act, Rules and best practice			2.5				4.6	2.1	9.2	1,512.00	164.35
Investigations	CDDA and investigations		1.9							1.9	655.50	345.00
	Total for investigations		1.9							1.9	655.50	345.00
Realisation of assets	Debt collection											0.00
	Property business and asset sales											0.00
	Retention of Title/Third party assets											0.00
	Total for Realisation of assets											0.00
Trading	Trading											0.00
	Total for Trading											0.00
Dealing with all creditors claims (including employees) correspondence and distributions	Secured											0.00
	Others		1.3	0.4						1.7	572.50	336.76
	Creditors committee											0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions		1.3	0.4						1.7	572.50	336.76
Other matters which includes meetings tax, litigation pensions and travel	Meetings											0.00
	Other											0.00
	Tax		1.7				0.5	1.4		3.6	808.00	224.44
	Litigation											0.00
	Total for Other matters		1.7				0.5	1.4		3.6	808.00	224.44
	Total hours by staff grade	0.6	9.0	6.2	0.2		0.5	6.2	3.6	26.3		
	Total time cost by staff grade	237.00	3,105.00	1,922.00	53.00		67.50	682.00	396.00		6,482.50	
	Average hourly rate	385.00	345.00	310.00	265.00	0.00	0.00	110.00	110.00			245.72
	Total fees drawn to date £										0.00	

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's charging policy,
- b Time Costs Analysis for the period from 30 October 2015 to 29 October 2016

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				
Bond	Marsh	30 00	NIL	30 00
Storage	Restore	2 64	NIL	2 64
Statutory Advertising	Courts Advertising	287 64	287 64	NIL
Expenses incurred with entities within the Begbies Traynor Group (<i>for further details see Begbies Traynor Charging Policy</i>)				
Coffee and sandwich	Petrol station	5 78	5 78	NIL
Staff Mileage Costs		49 50	49 50	NIL