

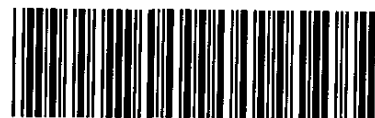
LIQ03

Notice of progress report in voluntary winding up



Companies House

WEDNESDAY



A12 *A7H9R9LF*
24/10/2018 #35
COMPANIES HOUSE

1 Company details

Company number 0 7 1 7 3 3 8 5

Company name in full MDE (Medical) Limited

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

2 Liquidator's name

Full forename(s) Paul

Surname Stanley

3 Liquidator's address

Building name/number 2 - 3 Winckley Court

Street Chapel Street

Post town Preston

County/Region

Postcode P R 1 8 B U

Country

4 Liquidator's name ①

Full forename(s) Paul W

Surname Barber

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

5 Liquidator's address ②

Building name/number 2 - 3 Winckley Court

Street Chapel Street

Post town Preston

County/Region

Postcode P R 1 8 B U

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 3	^d 0	^m 0	^m 8	^y 2	^y 0	^y 1	^y 7
To date	^d 2	^d 9	^m 0	^m 8	^y 2	^y 0	^y 1	^y 8

7 Progress report

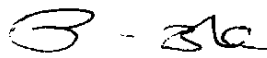
☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 1	^d 9	^m 1	^m 0	^y 2	^y 0	^y 1	^y 8
----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

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 **Paul Valentine**Company name **Begbies Traynor (Central) LLP**Address **2 - 3 Winckley Court****Chapel Street**Post town **Preston**

County/Region

Postcode

P	R	1		8	B	U
---	---	---	--	---	---	---

Country

DX

Telephone **01772 202000****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

MDE (Medical) Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 30/08/2017 To 29/08/2018 £	From 13/05/2016 To 29/08/2018 £
ASSET REALISATIONS		
VAT Refund	763.50	763.50
Cash at Bank	NIL	7,200.00
Bank Interest Gross	8.94	8.94
	<u>772.44</u>	<u>7,972.44</u>
COST OF REALISATIONS		
Legal Fees	2,343.70	2,343.70
Legal Disbursements	760.00	760.00
Statutory Advertising	NIL	84.60
	<u>(3,103.70)</u>	<u>(3,188.30)</u>
	<u>(2,331.26)</u>	<u>4,784.14</u>
REPRESENTED BY		
Vat Receivable		485.66
Bank 2 Current		4,315.40
Vat Control Account		(16.92)
		<u>4,784.14</u>



Paul W Barber
Joint Liquidator

MDE (Medical) Limited (In Creditors' Voluntary Liquidation)

Progress report

Period: 30 August 2017 to 29 August 2018

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"	MDE (Medical) Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators on 30 August 2016.
"the liquidators", "we", "our" and "us"	Paul Stanley and Paul W Barber of Begbies Traynor (Central) LLP, 2 - 3 Winckley Court, Chapel Street, Preston, PR1 8BU
"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"	(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

Former Company name:	Gardenshade Limited (to 23/04/2010)
Trading name(s):	MDE
Company registered number:	07173385
Company registered office:	1 Winckley Court, Chapel Street, Preston, PR1 8BU
Former trading address:	129 New Court Way, Ormskirk, L39 2YT

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	13 May 2016
Date of liquidators' appointment:	13 May 2016 – Gerrard Keith Rooney of Rooney Associates, 2nd Floor, 19 Castle Street, Liverpool, L2 4SX 30 August 2016 – Paul Stanley and Paul Barber of Begbies

Traynor (Central) LLP, 1 Winckley Court, Chapel Street, Preston,
PR1 8BU

Changes in liquidator (if any):

On 30 August 2016, Gerrard Keith Rooney obtained his release following a meeting of the creditors convened to consider the final report. On the same date creditors voted against closure of the liquidation; Paul Stanley and Paul Barber were appointed Joint Liquidators in replacement of Mr Rooney.

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 30 August 2017 to 29 August 2018.

Receipts

VAT Refund

A refund was received in the sum of £763.50 in respect of VAT relating to the pre-appointment period.

Bank Interest

Interest in the sum of £8.94 was received during the period.

Payments

Legal Fees and Disbursements

As previously reported Freeths Solicitors LLP were instructed to assist with the matter of restoring the Company. The application and associated costs totalled £2,343.70 plus VAT and disbursements of £760.00. These have been paid in full.

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.

There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment. The details below relate to the work undertaken in the period of the report only. Our previous report contains details of the work undertaken since our appointment.

General case administration and planning

Insolvency Practitioners 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.

Time charged to "General Case Administration and Planning" in the period covered by this report will include work of this nature, together with sundry tasks such as filing and photocopying.

In addition as previously reported, a significant proportion of the time recorded under this category encompasses time expended in recovering and reviewing records of the former liquidator to establish the matters dealt with to date and to identify any potential matters outstanding. Time has been recorded under this section in liaising with solicitors to restore the Company to the register.

Compliance with the Insolvency Act, Rules and best practice

Insolvency Practitioners are required to comply with the provisions of The Insolvency Act 1986 (as amended) and The Insolvency Rules 1986 (as amended), together with best practice guidelines laid down within the profession (for instance the Statements of Insolvency Practice set out by the R3 body which represents business recovery professionals). This includes the undertaking of periodic reviews of case progression, ensuring that a specific bond is in place at the correct value to insure the sums realised and the issuing of periodic reports on the progress of the insolvency to creditors.

Time charged to "Compliance with the Insolvency Act, Rules and Best Practice" in the period covered by this report includes the undertaking of these tasks and giving notice of our appointment.

Investigations

Insolvency Practitioners are required to, in accordance with the provisions of Statement of Insolvency Practice 2, to carry out investigations into the conduct of business by the director or directors of an insolvent company to the extent that it is proportional and in the interests of creditors. This will include a review of the books and records of an insolvent company, an investigation into the causes of the failure of an insolvent company and an assessment of whether there have been any transactions (or similar dispositions) that would result in the formulation and quantification of a civil claim against any party.

The duty to submit a report to the Department for Business, Energy and Industrial Strategy ('DBEIS') on the conduct of the directors was fulfilled by the former liquidator. We have corresponded with DBEIS with a number of queries relating to our understanding of this matter to ensure this reporting duty was completed in full.

Creditors have made us aware of a number of concerns regarding the matters which led to the failure of the Company. Following our appointment, we commenced a number of preliminary enquiries in this regard, however as previously reported substantive correspondence could not be entered into during the period that the Company was dissolved.

Time was recorded under this heading making enquiries of the Company's accountants, identifying the Company's bankers, procuring copy bank statements for a period prior to appointment and reviewing key transactions.

Following the restoration of the Company, we wrote to the director and former director regarding a number of transactions and the Company's activity prior to its failure. The former director was also approached due to certain transactions and decisions appearing to have taken place whilst he was the sole director. Additionally, the former director was the ultimate owner of Lixi Limited, a 50% shareholder, and therefore was actively involved in the decision to place the Company into Creditors' Voluntary Liquidation.

The director and former director failed to respond to our requests for information and completion of a standard Director's Questionnaire, despite successive attempts. As a result of lack of response to the number of outstanding enquiries and transactions requiring explanation, on 27 July 2018 we instructed Freeths Solicitors to put these matters to the director and former director and seeking face-to-face meetings to discuss the same.

To the date of this report, no response has been received from the director and accordingly action is ongoing in this regard.

Although no response had been received from the former director in the period of this report, in September 2018 our solicitors received contact from Morecrofts Solicitors acting for the former director only. The former director subsequently supplied a signed, completed Director's Questionnaire and agreed to attend a meeting which took place at the offices of Freeths Solicitors, Manchester on 10 October 2018. The meeting resulted in a number of further enquiries which are ongoing and which will be discussed more fully at the next reporting juncture.

Although significant time has been expended under this heading dealing with the above matters, it is considered that the action is merited given the number and quantum of transactions requiring further explanation which together with the potential actions arising could result in recoveries for the benefit of creditors generally.

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

We have continued to receive and review creditor claims and enquiries from unsecured creditors. No creditor's committee was appointed and there are no secured or preferential creditor claims.

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

There were no meetings and no pension or litigation issues. The calculation and accounting of Corporation Tax is a legal requirement of the office holders, as is the filing of returns (including a nil return) and both issues are of no financial benefit to creditors.

5. ESTIMATED OUTCOME FOR CREDITORS

Secured creditors

There are no known secured creditors.

Preferential creditors

There are no known preferential claims.

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 our 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

Based upon realisations to date and estimated future realisations it is anticipated there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.

6. REMUNERATION & DISBURSEMENTS

Remuneration

The former liquidator's remuneration was fixed by a resolution of creditors at a meeting held on 13 May 2016 by reference to the time properly incurred by the former Liquidator and his staff calculated at their prevailing standard hourly charge out rates and to recharge category 2 disbursements. The fee estimate provided for remuneration totalling £4,033 plus VAT together with expenses of £500 plus VAT. Category 2 Disbursements were estimated to total £307.00.

In accordance with Rule 18.31 of the Rules, the decision approving the fixing of remuneration will continue to apply.

For the avoidance of doubt, our remuneration (as liquidators) will be fixed by reference to the time spent by us and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the winding up and we are authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) disbursements for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, which is attached at Appendix 2 of this report.

Our time costs for the period from 30 August 2017 to 29 August 2018 amount to £11,129.00 which represents 46.50 hours at an average rate of £239.33 per hour.

Total time costs since the date of appointment amount to £26,444.00 which represents 108.90 hours at an average rate of £242.83 per hour.

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

- ☐ Begbies Traynor (Central) LLP's charging policy;
- ☐ Time Costs Analysis for the period 30 August 2016 to 29 August 2017;
- ☐ Cumulative Time Costs Analysis for the period 30 August 2016 to 29 August 2018;
- ☐ Rooney Associates' charging policy.

To 29 August 2018, we have drawn no funds on account of our remuneration, against total time costs of £26,444.00 incurred since the date of our appointment.

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.

As can be seen from the information above, we have exceeded the limit of our fees estimate. For the avoidance of any doubt, we have not drawn any remuneration at this time. Creditors will note that the approved fee estimate was based on the former liquidator's assessment of the time required to fulfil his duties in relation to this matter and therefore did not envisage the additional time that would be incurred by a subsequent appointment. Further the fee estimate can only include an estimate of time required to fulfil statutory duties in relation to investigating the conduct of company directors and therefore does not envisage additional matters coming to light either following the appointment of the former liquidator or following our subsequent appointment.

In light of the above, we are obliged to provide creditors with details of the additional work that has been undertaken along with details of the time and cost of that additional work. This information appears at Appendix 2 and above at section 4.

Based on the paucity of realisations, we do not intend to seek an increase to the estimate supplied at this time. This will be reviewed further subject to future realisations and we will report further in due course.

Disbursements

There have been no disbursements drawn during the period.

To 29 August 2018, we have drawn total disbursements in the sum of £84.60.

Category 2 Disbursements

In accordance with the resolution obtained in relation to disbursements, I can confirm that no Category 2 disbursements have been charged to the case since the date of our appointment.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2015' 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. A cumulative statement showing the total expenses incurred since the date of our appointment also appears at Appendix 3.

Expenses actually incurred compared to those that were anticipated

Creditors will recall that the former liquidator estimated that the expenses of the liquidation would total £500 plus VAT. Unfortunately, the expenses that we have incurred so far have exceeded that estimate and there will be further expenses to pay before the case concludes. The reasons why the estimate has been exceeded was reported previously.

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

Assets that remain to be realised:

The Company's assets as disclosed in the Statement of Affairs were realised by the former liquidator.

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

Further general tasks will need to be undertaken until the liquidation is concluded (i.e. diary updates, filing etc) however, the costs associated with these tasks will be nominal.

Compliance with the Insolvency Act, Rules and best practice

As part of our statutory duties, the Insolvency Act and Rules require IP's to prepare progress reports (including this report) and associated tasks, produce a final report, file information with the Registrar of Companies and ensure that the case is adequately bonded.

Investigations

As detailed above at section 4 of this report, the liquidators are investigating the conduct of the Directors and the matters which led to the failure of the Company. Following the Company's restoration, a number of enquiries were identified which required explanation by the director and former director.

Although it occurred following the date of this report, we feel it is useful to report that the former director attended a meeting on 10 October 2018 at the offices of our solicitors. Further enquiries have been raised as a result of this meeting which may result in recoveries to the benefit of the creditors.

To date, the director has failed to respond to our requests for an explanation of a number of matters arising. This includes but is not exclusive to a number of significant transactions from the Company's bank account before and following the date of liquidation. Accordingly we intend to pursue this further via our instructed solicitors, Freeths. In the event a full response is not received, we will consider an application under S236 Insolvency Act 1986 to compel his co-operation.

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

Additional creditors have come to light and they have been supplied with creditor claim forms and questionnaires where appropriate.

This may propagate additional correspondence in due course.

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

It is not believed that the Company operated a pension scheme. We understand the former liquidator has fulfilled his duties in relation to the Pensions Act.

As detailed above at section 6 of this report, no further decision of creditors is being sought regarding our remuneration at this time. This will be reviewed following the completion of our outstanding enquiries or before the next report to creditors if earlier.

How much will this further work cost?

As detailed above, it is anticipated that further time expended in this matter will be broadly attributable to the following categories:

- General case administration and planning,
- Investigations.
- Other matters including seeking decisions from creditors

Expenses

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

9. OTHER RELEVANT INFORMATION

Investigations and reporting on directors conduct

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, 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 Energy and Industrial Strategy. We can confirm that the former liquidator has discharged this obligation.

Investigations carried out to date

We 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.

In addition to the enquiries discussed earlier in the report, we have identified a number of transactions which will require explanation by the Director. The outcome of our enquiries will be reported further in due course.

Connected party transactions

We have not been made aware of any sales of the Company's assets to connected parties following the commencement of liquidation.

Use of personal information

Please note that in the course of discharging our statutory duties as liquidators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-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

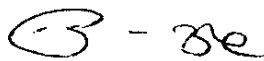
Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our 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 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.



Paul Barber
Joint Liquidator

Dated: 24 October 2018

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 30 August 2017 to 29 August 2018

MDE (Medical) Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 30/08/2017 To 29/08/2018 £	From 13/05/2016 To 29/08/2018 £
ASSET REALISATIONS		
VAT Refund	763.50	763.50
Cash at Bank	NIL	7,200.00
Bank Interest Gross	8.94	8.94
	<u>772.44</u>	<u>7,972.44</u>
COST OF REALISATIONS		
Legal Fees	2,343.70	2,343.70
Legal Disbursements	760.00	760.00
Statutory Advertising	NIL	84.60
	<u>(3,103.70)</u>	<u>(3,188.30)</u>
	<u>(2,331.26)</u>	<u>4,784.14</u>
REPRESENTED BY		
Vat Receivable		468.74
Bank 2 Current		4,315.40
		<u>4,784.14</u>

TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 30 August 2017 to 29 August 2018;
- c. Cumulative Time Costs Analysis for the period from 30 August 2016 to 29 August 2018;
- d. Rooney Associates' charging policy.

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 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

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

In addition to the services detailed above, it may become necessary to instruct Eddisons Commercial Limited to provide additional services, not currently anticipated, during the course of the case. In such circumstances and to avoid the costs associated with seeking further approval, the charges for such services will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows:

Grade of staff	Charge-out rate (£ per hour)
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

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

- Telephone and facsimile
- Printing and photocopying
- Stationery

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 Preston 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 MDE (Medical) Limited - Creditors Voluntary Liquidation - 05MD016.CVL : Time Costs Analysis From 30/08/2017 To 29/08/2018

Staff Grade	Case planning	Director	Sr Mgr	Mgr	Asst Mgr	Sr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	0.6						0.5		1.3	331.00	254.62
	Administration			4.3				2.0		6.3	1,358.50	215.79
	Total for General Case Administration and Planning:	0.6		4.3				2.5		7.6	1,690.50	222.43
Compliance with the Insolvency Act, Rules and best practice	Appointment											0.00
	Banking and Bonding											0.00
	Case Closure								5.4	5.4	594.00	110.00
	Statutory reporting and statement of affairs	0.5										0.00
	Total for Compliance with the Insolvency Act, Rules and best practice:	0.5		8.5					0.5	10.4	2,815.50	270.72
Investigations	CDOA and investigations	2.9		18.2					5.9	16.8	3,468.50	215.79
	Total for Investigations:	2.9		18.2						19.3	5,507.50	285.36
Realisation of assets	Debt collection									19.3	5,807.80	285.36
	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			0.3						0.3	79.50	265.00
	Creditors committee											0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:			0.3						0.3	79.50	265.00
Other matters which includes seeking decisions of creditors, meetings, tax calculation, pensions and travel	Seeking decisions of creditors											0.00
	Meetings											0.00
	Other											0.00
	Tax	0.2										126.29
	Litigation								3.3	3.5	442.00	126.29
	Total for Other matters:	0.2							3.3	3.5	442.00	126.29
	Total hours by staff grade:	3.6	1.9	28.5				2.5	9.2	46.5		
	Total time cost by staff grade:	1,422.00	855.50	7,764.50				275.00	1,012.00	11,129.00		
	Average hourly rate £:	395.00	345.00	265.00	0.00	0.00	0.00	110.00	110.00			216.33
	Total fees drawn to date £:									9.00		

SIP9 MDE (Medical) Limited - Creditors Voluntary Liquidation - 05MD016.CVL : Time Costs Analysis From 30/08/2016 To 29/08/2018

Staff Grade	Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	0.5	2.8						1.0		4.3	1,273.50	296.16
Administration				35.0				7.1	0.6	42.7	10,122.00	237.05
Total for General Case Administration and Planning:	0.5	2.8		35.0				8.1	0.8	47.0	11,395.50	242.46
Compliance with the Insolvency Act, Rules and best practice												0.00
Appointment												0.00
Banking and Bonding	0.1			0.7			2.6		5.8	9.2	1,214.00	131.96
Case Closure												0.00
Statutory reporting and statement of affairs	0.5	0.9		10.8					0.5	12.7	3,425.00	269.69
Total for Compliance with the Insolvency Act, Rules and best practice:	0.6	0.9		11.5			2.6		6.3	21.9	4,850.00	217.43
Investigations	2.9	0.6		31.7						35.2	9,753.00	277.07
COA and investigations												0.00
Total for Investigations:	2.9	0.6		31.7						35.2	9,753.00	277.07
Realisation of assets												0.00
Debt collection												0.00
Property, business and asset sales												0.00
Retention of Third Party assets												0.00
Total for Realisation of assets:												0.00
Trading												0.00
Trading												0.00
Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions												0.00
Secured												0.00
Others				0.3						0.3	79.50	265.00
Creditors committee												0.00
Total for Dealing with all creditors claims (including employees), correspondence and distributions:				0.3						0.3	79.50	265.00
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel												0.00
Seeking decisions of creditors												0.00
Meetings												0.00
Other												0.00
Tax	0.2						1.0		3.3	4.5	577.00	128.22
Litigation												0.00
Total for Other matters:	0.2						1.0		3.3	4.5	577.00	128.22
Total hours by staff grade:	4.2	4.3		78.5			3.6	8.1	10.2	108.9		
Total time cost by staff grade:	1,659.00	1,485.50		20,802.50			468.00	891.00	1,122.00		26,444.00	
Average hourly rate £:	395.00	345.00	0.00	265.00	0.00	0.00	135.00	110.00	110.00			242.53
Total fees drawn to date £:										0.00		

ROONEY ASSOCIATES DISBURSEMENTS RECOVERY POLICY – SIP 9

Category 1 disbursements

Bordereau/Insurance	Charged at cost
Case advertising	As per advertisers/agents invoice
Courier	Charged at cost
DTI/IVA registration fee	Charged at cost in applicable cases
Land registry/searches	As per Land Registry, agents or Companies House invoice
Postage	Charged at current postal charge. All outgoing post is logged and recorded by case
Post redirection	Charged at cost
Storage	An external records storage provider provides this facility. Pro rata on number of boxes per storage charge invoice.
Subsistence	Charged at cost
Travel	Charged at cost for public transport and taxis
Telephone	No charge

Category 2

Fax	£1 per page sent
Photocopying	15p per copy irrespective of size. All photocopying logged and recorded by case.
Room hire	£100 for room made available for in-house meetings. Charge is made when attendance is likely and a room has been set aside. External room hire will be at cost
Stationery	Initial set up fee of £20 per corporate case; £15 per personal case. Annual case/file maintenance charged at £10
Travel	Car travel charged at 55p per mile

Rooney Associates Charge out rates to 28th August 2016

Partner/Director	£291 per hour
Manager	£198 per hour
Case Administrator	£144 per hour
Support staff	£ 80 per hour

Standard Activity examples of work

Administration and planning	Case planning, administrative set up, appointment notification, maintenance of records, statutory reporting, insurance of assets
Investigations	SIP2 review, CDDA Reports, investigations antecedent transactions
Realisation of assets	Identifying and securing assets, debt collection, property, business and asset sales
Trading	Management of operations, accounting for trading, on going employees issues
Creditors	Communication with creditors, creditors claims (inc employees and other preferential creditors, retention of title



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	Freeths LLP	2,343.70	2,343.70	2,343.70
Legal Disbursements	Freeths LLP	760.00	760.00	760.00
Bond	AUA Insolvency Risk Services Limited	18.00	-	18.00
Postage	Royal Mail plc	28.56	-	28.56
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Legal Fees	Freeths LLP	2,343.70
Legal Disbursements	Freeths LLP	760.00
Advertising Costs	Courts Advertising Limited	84.60