

The Insolvency Act 1986

Notice of move from Administration to Dissolution

Name of Company
Partridge Trading Limited

Company number
07391603

In the
Newcastle Upon Tyne County Court

Court case number
629 of 2012

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

I/- We (a) Andrew David Haslam and Gerald Maurice Krasner of Begbies Traynor (Central) LLP 2 Collingwood Street, Newcastle upon Tyne, NE1 1JJ

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

having been appointed Joint Administrators of (b) Partridge Trading Limited, Begbies Traynor (Central) LLP, 2 Collingwood Street, Newcastle upon Tyne, NE1 1JJ

(c) Insert date of appointment

on (c) 27 July 2012 by (d) the Director

(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

Signed

Joint / Administrator(s)

Dated

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 the public.

Begbies Traynor (Central) LLP

2 Collingwood Street, Newcastle upon Tyne NE1 1JJ

Tel Number 0191 2699820

Fax Number 0191 2699821

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

SATURDAY



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27/07/2013

#174

COMPANIES HOUSE



Andrew David Haslam and Gerald Maurice Krasner appointed Joint Administrators on 27 July 2012

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

Partridge Trading Limited (In Administration)

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

Period: 27 January 2013 to 25 July 2013

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Important Notice

This final progress report has been produced by the Joint 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.

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Partridge Trading Limited (In Administration)
"the Administration"	The appointment of Administrators under Schedule B1 to the Insolvency Act 1986 on 27 July 2012
"the Administrators", "we", "our", "us"	Andrew David Haslam and Gerald Maurice Krasner of Begbies Traynor (Central) LLP, 2 Collingwood Street, Newcastle upon Tyne, NE1 1JF
"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"	<p>In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and</p> <p>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)</p>
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 of the Act

2 STATUTORY INFORMATION

Name of Company	Partridge Trading Limited
Trading name	John Partridge
Date of Incorporation	29 September 2010
Company registered number	07391603
Company registered office	9 Roe House, Broomley, Stocksfield, NE43 7HP

3. DETAILS OF APPOINTMENT OF THE JOINT ADMINISTRATORS

Names of Administrators	Andrew David Haslam and Gerald Maurice Krasner, Licensed Insolvency Practitioners of Begbies Traynor (Central) LLP, 2 Collingwood Street, Newcastle upon Tyne, NE1 1JF
Date of appointment	27 July 2012
Date of resignation	n/a
Court	Newcastle Upon Tyne County Court
Court Case Number	629 of 2012
Person(s) making appointment / application	The Director – Alexander Holliday
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	There have been no extensions to the Administration period.

4. PROGRESS DURING THE PERIOD

This report should be read in conjunction with the Joint Administrators' Proposals circulated to creditors on 21 September 2012 and the Joint Administrators' Progress Report circulated to creditors on 26 February 2013.

Creditors will recall that following appointment, the Administrators were aware that the Company had not placed Autumn/Winter 2012/13 stock orders, and was simply holding a substantial amount of Spring/Summer 2012 stock that remained unsold. An immediate decision was taken not to trade the business in Administration. All of the office staff were immediately dismissed and the Head Office closed.

BTG Asset Consulting ("the Agents") was instructed to obtain an inventory of the Spring/Summer 2012 stock held and place it on the market with a view to maximising realisations. As such, a marketing exercise was undertaken and several notices of interest were received, for not only the stock, but also the trading name and brand.

A number of parties then entered confidentiality agreements with the Administrators and received further information, resulting in three offers being made.

One offer was recommended by our agents and negotiations were entered into between the Joint Administrators, the proposed purchaser and the secured creditor regarding the structure of the deal

On 29 January 2013, a sale of the Company's assets was achieved

The sale consideration was £1 00 for Goodwill and £51,000 00 plus VAT for stock. The purchaser also took an assignment of the secured creditor The North East Growth 500 Plus LP debt in the sum of £821,429 00. The consideration of £51,000 00 plus VAT was paid at £8,500 00 over a period of 6 months.

Attached at Appendix 1 is our abstract of receipts and payments for the period from 27 January 2013 to 19 July 2013 and for the whole period of the Administration.

RECEIPTS

Goodwill

As stated above a sale of the Goodwill was achieved for £1 00. This was sold to John Partridge & Co Ltd – a third party.

Stock

As stated above a sale of the Company's stock was achieved for £51,000 00. This was paid in 6 monthly instalments of £8,500 00. The stock was sold to John Partridge & Co Ltd – a third party. All funds have been received in this respect.

Book Debts

The Book Debts were subject to an invoice discounting agreement with Barclays Bank plc. Barclays Bank plc advised that they had completed their collection exercise and reassigned debtors of £9,228 52 to the Joint Administrators on 8 November 2012.

To date £3,025 93 has been received. As part of the sale to John Partridge Limited, the balance of the book debts were re-assigned to the purchaser.

Cash at Bank

At the date of appointment the Company had Cash at Bank of £1 65. The Administrators' requested that the Company bank account be closed and the funds be transferred into an Administration account in the Company's name.

Bank Interest Gross

Bank interest of £17 51 has accrued over the period of the Administration. Bank interest is usually subject to Corporation Tax however, due to an understanding/working arrangement reached with HM Revenue & Customs there will be no Corporation Tax liability.

Commissions

Funds totalling £15,150 47 have been received from TK Maxx for John Partridge branded clothing sold within their stores from the date of appointment to the date of the sale of the stock.

PAYMENTS

Insolvency Practitioners' Bond

As a requirement of the Administration process, insurance brokers, Marsh Limited were engaged to provide the Insolvency Practitioners' bond. A bond premium of £320 00 has been incurred and paid by Begbies Traynor (Central) LLP. This has not yet been recharged to the case.

Court Fee & Swearing Fee

The Directors are required to swear the appointment document and the Administrators are required to file the Administration appointment documents in Court, a fee of £40 00 has been paid for swearing and Court fees by Begbies Traynor (Central) LLP but not yet recharged to the case.

Legal Fees

Ward Hadaway Solicitors were instructed to assist the Administrators in the necessary legal matters surrounding the sale of the assets and a number of Retention of Title ("ROT") claims received. Fees of £11,550.00 plus VAT were incurred and discharged in this respect.

Legal Disbursements

Ward Hadaway Solicitors, our instructed solicitors, incurred disbursements of £350.00 in relation to one of the ROT claims. These disbursements have been discharged.

BTG Mileage

Mileage costs of £17.10 have been incurred by our staff when attending meetings. These costs are a Category 2 expense and have been paid by Begbies Traynor (Central) LLP but not yet recharged to the case.

Statutory Advertising

The Administrators must advertise their appointment in the London Gazette and costs of £76.50 have been incurred and discharged.

5. OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our Statement of Proposals. On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows:

Secured creditors

The investment group that funded the Company, The North East Growth 500 Plus LP, hold a debenture conferring a fixed and floating charge over the assets of the Company. The charge was created on 23 December 2010 and registered on 5 January 2011.

As detailed above, as a condition of the sale of the assets of the Company, the debt due to The North East Growth 500 Plus LP has been assigned to the purchaser and the Company will, therefore, benefit from the removal of this liability in the outcome statement.

Barclays Bank plc ("the Bank") hold a fixed and floating charge created on 29 September 2011 and registered on 7 October 2011. The Bank's indebtedness at the date of Administration related to the invoice discounting facility.

As detailed above, the Bank has advised that it has been repaid in full under the invoice discount facility.

Preferential creditors

Preferential claims of employees, to include the former Directors, for arrears of wages, salary and holiday pay were estimated at £10,000.00. A claim has been received from the Redundancy Payments Office for £3,240.26. On the basis of realisations to date there have been insufficient realisations to pay a dividend to preferential creditors.

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 Administrator 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.

In this case both floating charge holders have had their debts satisfied from the fixed charge realisations and debtor recoveries respectively. Therefore the Joint Administrators do not believe that this section applies.

Unsecured non preferential creditors

Unsecured non preferential creditors were estimated at £400,483 45 There was also a contingent claim of Messrs Oliver and Reay, the former Directors, who were pursuing an Industrial Tribunal claim against the Company for wrongful dismissal and should they be successful, this claim could total in excess of £100,000 00, however, on the basis of realisations to date there have been insufficient realisations to pay a dividend to unsecured non preferential creditors

Ending the 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. THE JOINT ADMINISTRATORS' PROPOSALS

Attached at Appendix 2 is a summary of our Proposals 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

As detailed in previous reports, following appointment, the Company's stock consisted of a quantity of previous seasons garments that were stored at an off site facility

After appointment, the Joint Administrators, via their instructed agents, marketed the stock and several potential purchasers were identified Following agents advice, a bid from John Partridge Limited, a non-connected company was accepted This bid encompassed a cash element of £51,000 plus VAT for the stock and office equipment and the agreement to take an assignment of the secured creditor's debt of £851,000 to purchase the goodwill This leads to the value of the accepted bid being £902,000 The sale funds have been received and the sale completed

Within the sale process, the Joint Administrators were contacted by several creditors claiming Retention of Title over products The sale agreement passed this liability over to the purchaser, thus mitigating any claim that may be forthcoming

In addition, there were other assets, which comprised a small amount of debtors and the potential to collect some commission payments As can be seen from the Receipts and Payments account, a small amount of debtors were recovered, with the balance assigned to the purchaser upon completion of the sale and some commissions were collected for the period of Administration All ongoing commissions for use of the brand will be payable to the purchaser following the purchase by them of goodwill

8. PRE-ADMINISTRATION COSTS

On 21 September 2012 the Joint Administrators in accordance with Rule 2 67A of the Rules sought the approval of the secured and preferential creditors that the following amount be agreed in respect of Pre-Administration costs

Details of recipient	Description of services provided	Amount
Begbies Traynor (Central) LLP	Advice as detailed as "the Work" in the Joint Administrators' Proposals	10,017 00

These fees have been agreed and discharged in full

9. THE JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

Our remuneration has been fixed by reference to the time properly given by us (as Administrators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP 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 our 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 27 July 2012 to 25 July 2013 amount to £46,456 00 which represents 210 60 hours at an average rate of £220 59 per hour

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

- ☐ SIP 9 Table of time spent and charge-out value for the period 27 July 2012 to 25 July 2013
- ☐ Narrative summary of time costs incurred
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

Since our appointment, we have drawn the total sum of £46,135 96 plus disbursements of £383 10

Details of the Category 2 disbursements that have been drawn since the necessary approval was obtained] in the total sum of £5,441 68 are provided in the narrative summary of time costs incurred which is at Appendix 2

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2011' which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy

10. THE JOINT ADMINISTRATORS' EXPENSES

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

11. 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

12. ASSETS THAT REMAIN TO BE REALISED

As detailed in Section 4 of this report it is not anticipated that further recoveries will be made in respect of the Company's book debts. The Joint Administrators have therefore written off the remaining balance of £6,202.59 as irrecoverable.

13. 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.

Investigations completed

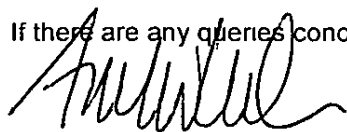
We have undertaken an initial assessment of the manner in which the business was conducted prior to the Administration of the Company and we do not believe there to be any further recoveries for the estate.

Connected party transactions

We have not been made aware of any connection party transactions.

14. CONCLUSION

If there are any queries concerning this report, please do not hesitate to contact this office.



Andrew D Haslam
Joint Administrator

Date 25 July 2013

JOINT ADMINISTRATORS' ACCOUNT OF RECEIPTS AND PAYMENTS

27 July 2012 to 25 July 2013

to realise
per
Statement
of Affairs
£

Receipts &
Payments to
date
£

Receipts

Goodwill	1 00
Stock	51,000 00
Book debts	3,025 93
Cash at Bank	1 65
Bank Interest Gross	17 51
Commissions	15,150 47
	<u>69,196 56</u>

Payments

Insolvency Practitioners Bond	(320 00)
Pre-Administration Costs	(10,017 00)
Administrators Fees	(40,694 28)
Court Fee and Swearing Fee	(40 00)
Companies House Search	(6 00)
Agents Fees	(6,125 68)
Legal Fees	(11,550 00)
Legal Disbursements	(350 00)
BTG Mileage	(17 10)
Statutory Advertising	(76 50)
	<u>(69,196 56)</u>

VAT Receivable

-

Balance at Bank

-

SUMMARY OF THE JOINT ADMINISTRATORS' PROPOSALS

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

- 1) Pursuant to Paragraph 52(1)(b) of Schedule B1 of the Insolvency Act 1986 that the Company has insufficient property to enable a distribution to unsecured creditors otherwise than by virtue of Section 176A of the Insolvency Act 1986
- 2) The Company shall remain in Administration for such period as the Joint Administrators deem necessary and appropriate
- 3) If necessary, the Joint Administrators shall have the authority to apply to Court for an extension of the duration of the Administration (in accordance with the provisions of Schedule B1 Paragraph 76(2) of the Insolvency Act 1986)
- 4) 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
- 5) In the event that the Company moves to Liquidation the Joint Administrators be appointed as Joint Liquidators
- 6) 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
- 7) 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
- 8) 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 Joint Administrators' licensing bodies, they may draw their remuneration on account as and when funds permit
- 9) Begbies Traynor (Central) LLP'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. A separate resolution will be taken to agree this Proposal
- 10) 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

- 11) The Joint Administrators be at liberty to recharge disbursements and Category 2 disbursements as detailed in the circulated Guide to Administrators' Fees
- 12) The Joint Administrators be at liberty to pay costs and remuneration as and when funds become available
- 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.

Creditors' Voluntary Liquidation

Should additional funds become available and we are of the opinion that the total amount due to each secured creditor of the Company will be paid in full or set aside and that a distribution will be made to the unsecured creditors of the Company¹ then the exit from Administration will be by moving the Company into Creditors Voluntary Liquidation.

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 propose 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

¹ Insolvency Act 1986, Sch B1, para 83(1)

We confirm that as part of our proposals we propose that we act as Joint 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 creditors' approval, with or without modification, of our 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.

THE JOINT ADMINISTRATORS' TIME COSTS AND DISBURSEMENTS

- a SIP9 Table of time spent and charge-out value for the period from 27 July 2012 to 25 July 2013,
- b Narrative summary of time costs incurred,
- c Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements, and
- d Begbies Traynor (Central) LLP's charge-out rates

Staff Grade	Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time cost £	Average hourly rate £
Administration and Planning	3.0						40.0			43.00	6,585.00	153.14
	11.0						48.6	2.5	6.3	68.40	11,759.00	171.92
Investigations	6.0	7.5					28.2			38.70	7,579.50	195.85
Realisation of assets							2.6			2.60	351.00	135.00
	42.0						4.3			46.30	17,170.50	370.85
Trading							5.9			5.90	796.50	135.00
Creditors												
	1.0						3.7			4.70	894.50	190.32
Other matters												
							1.0			1.00	135.00	135.00
Total hours by staff grade		60.0	7.5				134.3	2.5	6.3	213.6		
Total time cost by staff grade £		23,700.00	2,587.50				18,130.50	275.00	578.00		46,456.00	
Average hourly rate £		395.00	345.00				135.00	110.00	91.75			220.59
Total fees drawn to date £											46,135.96	

BEGBIES TRAYNOR (CENTRAL) LLP - NARRATIVE SUMMARY OF TIME COSTS**NEWCASTLE UPON TYNE/TEESSIDE OFFICES****CORPORATE APPOINTMENTS**

The narrative below refers to the time cost grid provided to creditors in compliance with Statement of Insolvency Practice SIP 9 and summarises the detailed time records maintained by Begbies Traynor (Central) LLP, more detail of time spent with time recorded over 28 separate headings is available on request

Some of the detail may not be appropriate to this particular insolvency appointment

ADMINISTRATION AND BANKING

Appointment and Case Planning - initial notifications of appointment to creditors, statutory notices, statutory adverts etc after appointment

All correspondence with Companies House and the Court

Any necessary consideration of validity of appointment

All work relating to obtaining and maintaining the IP bond

Administration and Banking - general administration not covered within a specific time code

Bank reconciliations, general case banking, fee calculation, SIP 9 grids and WIP

All closing matters and any post closure work

Statutory Reporting and Statement of Affairs - all reports and returns not under another specific time coding

Case reviews, consideration of strategy

File notes, planning meetings, internal meetings for case discussion and file reviews

Preparation and review of receipts and payments accounts

Contact with Directors re preparation/submission of Statement of Affairs

INVESTIGATIONS

CDDA and Investigations - drafting and submission of CDDA reports/returns to DBIS and any necessary follow up work in relation to Directors (includes any travel specifically for CDDA proceedings)

All general investigation work other than that specifically required for CDDA reporting and proceedings – e.g. investigations to identify antecedent transactions, preferences, transactions at undervalues, misfeasance's, director overdrawn loan accounts etc

REALISATION OF ASSETS

Debt Collection - preparation of, and review of, the schedule of book debts, all work and correspondence to collect book debts (but not 'Trading' debts) and other debts such as claims, refunds etc, investigating likelihood of recovery and write offs, all contact with debtors, instruction of solicitors, negotiation of any commercial settlements

Property, Business and Asset Sales - all steps to be taken to preserve and realise fixed charge assets and floating charge assets (other than book debts) including stock, WIP, plant and equipment, computers, office furniture and equipment and motor vehicles

Negotiations and steps pre and post completion relating directly to sale of business/assets

Sale of any intangible assets eg IPR, copyrights, patents

Retention of Title/Third Party Assets - general enquires, stock-taking, agreeing claims and correspondence with ROT creditors

Dealing with hire purchase, lease purchase, lease, rental and hire creditors etc

Dealing with landlords, surrenders and disclaimers of leases

TRADING (if appropriate)

Trading - Trading strategy meetings, site attendance, dealing with customers/suppliers and dealing with accounts, collection of trading debts and including employee issues arising during trading but not redundancy

Preparation of trading facts and figures, all necessary accounting, dealing with VAT, PAYE etc for the trading period

Management and control of the trading, reporting to funders, banks and other third parties

CREDITORS

Secured - establishing validity and scope of security, all correspondence and work associated with distribution to secured creditors

Communications with and reporting to secured creditors

Others - correspondence, e-mails, phone calls with preferential and non preferential unsecured creditors (including dealing with enquiries from parties who claim to be creditors)

Correspondence, e-mails, phone calls with members

Acknowledgement and recording of creditor claims

Adjudication of the claims as appropriate

Redundancy, employee claims and correspondence (other than employee issues arising as part of trading), DBIS RPO correspondence

Creditors Committee - meetings, reports to and dealings with creditors committee / liquidation committee, if appointed

OTHER MATTERS

Meetings - all meetings, including statutory meetings, following appointment other than creditors committee / liquidation committee meetings, other meetings (excluding those specifically part of investigations or CDDA reporting/proceedings) and internal case strategy meetings

Tax - all statutory returns, VAT returns, CT returns, P35 PAYE returns, all calculations, disputes, enquiries and inspections

Litigation - all work relating to legal proceedings (following issue of proceedings)

Other - all work involving pension issues

Travel to businesses, meetings, Courts, Directors, shareholders and in respect of trading insolvencies (excludes any travel specifically for CDDA proceedings)

Begbies Traynor (Central) LLP, Newcastle upon Tyne and Teesside

BEGBIES TRAYNOR (CENTRAL) LLP**DISBURSEMENTS AND EXPENSES POLICY AND CHARGE OUT RATES****NEWCASTLE UPON TYNE AND TEESSIDE OFFICES****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.

Where the office holder's remuneration is proposed to be fixed on an additional or alternative basis, sufficient information will be provided to creditors in order to allow them to consider whether to approve the proposed basis or bases of the office holder's remuneration.

Following approval, further information will be provided to creditors regarding the office holder's fees as required by the legislation and best practice guidance.

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 and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest.

Best practice guidance² 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, in 6 minute units, at the individual's hourly rate in force at that time; the hourly rates applicable to this case are detailed below.

This is of course only applicable to those cases where the office holder is remunerated on a time cost basis, rather than the additional or alternative bases explained in SIP9.

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

Best practice guidance classifies expenses into two broad categories.

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 6 April 2010)

² Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 6 April 2010)

- *Category 1 disbursements (where creditor approval is not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. Such expenditure may include Court fees, filing fees, company search fees, ML Regulation ID fees, oath fees, redirection of mail, external storage of books and records, external printing copying and stationery, postages, etc as well as legal fees, property agent fees, security, valuer fees, auctioneer and agent fees, utility costs etc. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (where creditor approval is 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.

The following items of expenditure may be charged to the case (subject to creditor approval)

- Internal meeting room usage for the purpose of statutory meetings is charged at the rate of £100 per meeting. The Newcastle upon Tyne and Teesside offices do not at this time make any such charge to the insolvent estate for internal meeting room usage.
 - Car mileage is charged at the rate of 45 pence per mile.
 - Storage of books and records (when not chargeable as a *Category 1 expense*) 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. The Newcastle upon Tyne and Teesside offices do not at this time make any such charge to the insolvent estate for the internal storage of books and records.
- *Expenses which should be treated as Category 2 disbursements (creditor approval is required)*

In addition to the 2 Categories referred to above, best practice guidance indicates that where payments are made or are to be made to outside parties in which the office holder or his firm or any associate has an interest, these payments should be treated as Category 2 disbursements.

Such Category 2 disbursements would for example include payments made to other entities within the Begbies Traynor Group (BTG) e.g. BTG Asset Consulting, BTG Corporate Finance, BTG Commercial Finance, BTG Tax, BTG Global Network (incorporating BTG Forensic, BTN Risk and BTG Intelligence).

BTG Asset Consulting, a division of BTG Consulting LLP which is itself part of BTG, charges £125 per hour for their advice regarding asset appraisal and disposal etc.

BTG Global Network provide a wide range of services, the most likely to be used in an insolvency procedure is in relation to enquiries and investigations into the location of assets or individuals, surveillance and other investigative services, costs range from £100 to £250 per hour.

Where we have used or intend to use other entities within the Begbies Traynor Group, that fact will be disclosed in the report to which this Appendix is attached or in future reports to creditors detailing the reasons for the instruction, the nature of the work undertaken, the basis of remuneration and the costs thereof.

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
- Postages

BEGBIES TRAYNOR (CENTRAL) LLP**CHARGE-OUT RATES****NEWCASTLE UPON TYNE AND TEESSIDE OFFICES**

Begbies Traynor (Central) LLP 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 Newcastle upon Tyne and Teesside offices of Begbies Traynor (Central) LLP as at the date of the report to which this Appendix is attached are as follows

Grade of staff	Charge-out Rate (£ per hour)
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Junior Administrator	110
Support	110

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 units of 0.10 of an hour (i.e. 6 minute units)

STATEMENT OF THE JOINT ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Agents Fees	BTG Asset Consulting	6,125 68	6,125 68	Nil
Legal Fees	Ward Hadaway	11,550 00	11,550 00	Nil
Legal disbursements	Ward Hadaway	350 00	350 00	Nil
Statutory advertising	Courts Advertising	76 50	76 50	Nil
Court Fee	Newcastle High Court	35 00	35 00	Nil
Swearing Fee	Beecham Peacock	5 00	5 00	Nil
Companies House Search	Companies House	6 00	6 00	Nil