

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 7 7 0 8 9 0 6

Company name in full Groundwork Facilities Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Simon John

Surname Killick

3 Liquidator's address

Building name/number 29th Floor

Street 40 Bank Street

Post town London

County/Region

Postcode E 1 4 5 N R

Country

4 Liquidator's name ①

Full forename(s) Jeremy

Surname Karr

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 29th Floor

Street 40 Bank Street

Post town London

County/Region

Postcode E 1 4 5 N R

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

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6

Period of progress report

From date

^d1^d4^m0^m3^y2^y0^y2^y2

To date

^d1^d3^m0^m3^y2^y0^y2^y3

7

Progress report


☒ The progress report is attached

8

Sign and date

Liquidator's signature

Signature

X 

X

Signature date

^d0^d9^m0^m5^y2^y0^y2^y3

**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 **Monika Flont**

Company name **Begbies Traynor (Central) LLP**

Address **29th Floor**

40 Bank Street

Post town **London**

County/Region

Postcode **E 1 4 5 N R**

Country

DX

Telephone **020 7262 1199**

**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

Groundwork Facilities Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 14/03/2022 To 13/03/2023 £	From 14/03/2017 To 13/03/2023 £
	ASSET REALISATIONS		
	Bank Interest Gross	NIL	0.65
	Business Rates Refund	NIL	4,559.02
2,195.45	Cash at Bank	NIL	2,166.57
8,400.00	Cash at Begbies Traynor	NIL	8,400.00
Uncertain	Leasehold Property	NIL	NIL
Uncertain	Rent Deposit Deed	NIL	NIL
Uncertain	Tax Refund	NIL	NIL
		NIL	15,126.24
	COST OF REALISATIONS		
	Accountancy Fees	NIL	1,000.00
	Irrecoverable VAT	NIL	200.00
	Liquidators' Fees	NIL	6,700.00
	Rating Agent's Fees	NIL	1,139.75
	Specific Bond	NIL	18.00
	Statement of Affairs Fee	NIL	6,000.00
	Statutory Advertising	NIL	68.49
		NIL	(15,126.24)
	UNSECURED CREDITORS		
(50,411.12)	HMRC (non VAT)	NIL	NIL
(52,000.00)	HMRC (VAT)	NIL	NIL
(36,401.72)	Trade Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(128,317.39)		NIL	(0.00)
	REPRESENTED BY		
			NIL

Groundwork Facilities Limited (In Creditors' Voluntary Liquidation)

Progress report

Period: 14 March 2022 to 13 March 2023

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.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Groundwork Facilities Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators on 14 March 2017.
"the liquidators", "we", "our" and "us"	Simon John Killick and Jeremy Karr of Begbies Traynor (Central) LLP, 29th Floor, 40 Bank Street, London, E14 5NR
"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

Trading name:	Groundwork Facilities
Company registered number:	07708906
Company registered office:	1 King's Avenue, London, N21 3NA
Former trading address:	Oxhey & Bushey Railway Yard, Pinner Road, Watford, WD19 4EA

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	14 March 2017
Date of liquidators' appointment:	14 March 2017 – Jeremy Karr and Ian Franses 22 May 2019 – Simon Killick
Changes in liquidator (if any):	Ian Franses was replaced by Simon John Killick by way of block transfer order made in the High Court of Justice on 22 May 2019

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 14 March 2022 to 13 March 2023.

There have been no receipts or payments in the period of this report.

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. 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 this report only. Our previous reports contain details of the work undertaken since our appointment.

General case administration and planning

- Revising and updating case strategy plan;
 - Updating case compliance checklists;
 - Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and does not otherwise fall directly into any of the other headings;
 - General case updates: including internal meetings on case strategy and effecting instructions from the Officeholders;
 - Ongoing maintenance of information and updating case files;
 - Periodic reviews of the case generally; and
- Ensuring that the time recording data is compliant with Statement of Insolvency Practice 9.

Whilst the works outlined above do not confer a direct financial benefit to the creditors, they are nonetheless necessary to ensure an efficient and compliant progression of the liquidation as elements of this work are required to comply with best practice and statute. The creditors benefit from these works being carried out as they ensure that liquidators and their staff carry out their work to high professional standards expected of this firm.

Compliance with the Insolvency Act, Rules and best practice

- Issue progress reports to members & creditors within prescribed time scale.
- Ensure that the case is adequately bonded and review the bond level throughout the period of the liquidation.
- Ongoing consideration to ethical practice; and
- Ongoing consideration to money laundering regulations

Banking:

- Maintaining and managing the insolvent estate bank account and cash book;
- Undertaking regular bank reconciliations of the estate bank account; and
- Complying with risk management procedures.

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. It is the duty of the appointed officeholder to comply with the Insolvency Act and Rules. The creditors benefit from this being done as it ensures proper stewardship, and that this engagement is dealt with in a timely manner and to a standard expected of this firm.

However, please note that time spent on some of these works has not been recorded and as such it is not reflected on the Time Cost Analysis included at Appendix 2.

Investigations

- Review of the Company's books and records, bank statements and financial records;
- Liaising with bank/director/accountants for financial information and records;
- Liaising with solicitors and litigation funders in relation to further investigations; and
- Carrying out Land Registry searches and background research required for further investigations.
-

Liquidators are required to carry out investigations into the Company's affairs and submit a report to the Department for Business, Industrial Strategy and Energy under the Company Directors Disqualification Act ("CDDA"). We can confirm that we have discharged our duties in these respects. However, we are continuing to investigate certain transactions that occurred prior to the liquidation with a view to establishing whether such transactions are capable of being challenged for the benefit of the creditors.

The Liquidators have been considering the merits of certain claims the estate may have against the former director. During the course of this year we have been exploring funding options to bring those claims. It would be inappropriate for us to provide any further information at this juncture as we are still having those discussions and do not want to prejudice any future recovery actions. The extent to which there will be a financial benefit to the creditors from the works outlined above is uncertain at present.

The nature of the investigations we have to undertake means that significant time is spent irrespective of the size of the case. Although there is no direct financial benefit to creditors of this work it is required in order to comply with insolvency legislation.

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

No time was recorded against this category as no creditor queries have been received.

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

- The completion of post liquidation tax returns and forms.

The above has no direct financial benefit to creditors but has to be done in order to comply with the Insolvency Rules and other statutory requirements. However, please note that no time was recorded in relation to those tasks and as such this is not included in our Time Cost Analysis referred to above.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the directors' statement of affairs. Based upon realisations to date, we estimate the outcome for each class of the creditors as follows:

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.]

There will be no distribution of the prescribed part as our estimate of the Company's net property is less than the minimum prescribed by the Insolvency Act 1986 (Prescribed Part) Order 2003 and we think, in accordance with Section 176A(3)(b) of the Act, that the costs of making a distribution of the prescribed part to unsecured creditors would be disproportionate to the benefits.

Unsecured creditors

Unsecured creditors were estimated at £138,812.84. We have received claims totalling £760,563.98 from 6 creditors including a provisional claim of £265,265.66 from HMRC and £463,927.48 from Primus Build Limited which have not yet been admitted. As detailed in our previous reports, HMRC, following their investigations, raised a VAT assessment for the quarters ended 30 November 2012 and for the period from 1 March 2013 to 30 November 2014 for the total amount of £1,823,173 as a result of disallowance of input VAT. An appeal has been made against the assessments following the information provided by the director and the Company's accountants. We have not been informed of any decisions made by the VAT tribunal regarding the appeal. The liquidators will take steps to adjudicate on HMRC's claim in the event that we have funds to pay a dividend.

Based upon realisations to date, and estimated future realisations, it is not yet certain whether there will be sufficient funds available to enable a dividend to be paid to the unsecured creditors. Our investigations are continuing and may yet result in recoveries for the estate for the benefit of the unsecured creditors; however, the quantum and possibility of a dividend are uncertain at present.

6. REMUNERATION & EXPENSES

Remuneration

Our remuneration has been fixed by a resolution of creditors by correspondence by reference to the time properly given by us (as liquidators) 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 as set out in the fees estimate dated 10 April 2017 in the sum of £18,597.

We are also authorised to draw expenses 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 14 March 2022 to 13 March 2023 amount to £5,989.50 which represents 17.4 hours at an average rate of £344.22 per hour.

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

- ☐ Time Costs Analysis for the period 14 March 2022 to 13 March 2023
- ☐ Cumulative Time Costs Analysis for the period 14 March 2017 to 13 March 2023
- ☐ Begbies Traynor (Central) LLP's charging policy

To 13 March 2023, we have drawn the total sum of £6,700.00 on account of our remuneration, against total time costs of £44,314.50 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. An additional analysis is also attached which details the time costs for the entire period for which we have administered the liquidation. Please note that each 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 in excess of the level approved. The reasons why the estimate has been exceeded are as follows:

- Continuing with our investigations into the Company's affairs and director's conduct.
- Dealing with HMRC enquiries
- Liaising with solicitors
- Liaising with potential funding parties

In light of the above, we are obliged to provide creditors with details of the additional work that we propose to undertake along with details of the time and cost of that additional work. This information appears below. At this stage, we do not anticipate that we will need to seek further approval as we do not know yet whether there will be sufficient realisations in the liquidation estate that would allow us to draw remuneration up to the level previously approved. However, we reserve the right to approach creditors asking for a fair and reasonable increase to our original fees estimate if the circumstances change materially.

Expenses

To 13 March 2023, we have also drawn expenses in the sum of £1,086.49. Furthermore, some additional expenses have been paid directly from the case. Please refer to Appendix 3 for expenses incurred and discharged since our appointment as the Company's liquidators.

Category 2 Expenses

We have not charged any Category 2 Expenses to the case.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2021' 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 we estimated that the expenses of the liquidation would total £1,372.50. 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 are as follows:

- The estimate did not include the rating agent's fees which was agreed on a no win no fee basis, subject to a success fee of 25% of recovery, which was not envisaged at the outset;
- The estimate did not include Land Registry Search fees which were not envisaged as required at the outset;
- Requirements to renew bond premium due to the duration of the case; and
- Change in our firm's charging policy relating to postage.

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

As detailed above, we are continuing to evaluate the prospect of recoveries being made relating to the manner in which the Company's affairs were managed. There are no other asset realisations anticipated.

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

- Updating case strategy plan;
- Updating of case compliance checklists;
- General case updates to include internal meetings on case strategy and effecting instruction;
- Ongoing maintenance of up to date information on the electronic case information;
- Periodic reviews of the case generally; and
- Completion of six monthly compliance and progression checklists.

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. Creditors benefit from this work as it ensures this particular engagement is dealt with to the standards expected and also in a timely fashion. Elements of this work are required to comply with best practice and statute.

Compliance with the Insolvency Act, Rules and best practice

- Preparation, drafting and issue of progress report to creditors and members;
- Reviewing the adequacy of the specific penalty bond periodically;
- Ongoing consideration to ethical practice;
- Ongoing consideration to money laundering regulations;
- Updating case checklists and statutory diaries where necessary;
- Submission of reports/ forms to Companies House; and
- Issuing progress reports to all known creditors.

Banking:

- Maintaining and managing the insolvent estate bank account and cash book.
- Undertaking regular bank reconciliations of the estate bank account.
- Complying with risk management procedures;
- Preparing and processing cheque requisition forms for the payment of post-appointment invoices;
- Preparing and processing remittance advises for incoming funds; and
- Processing of BACS/electronic payments where applicable.

Closure

- Preparing, reviewing and issuing final progress report to members and creditors;
- Filing of appropriate forms with Registrar of Companies; and
- Updating of physical and electronic case records following closure

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. It is the duty of the appointed office holder to comply with the Insolvency Act and Rules and creditors benefit from this being done to a standard expected of this firm.

Investigations

- Continuing to assess the merits of the potential claims we have against the director of the Company.
- Continued efforts to locate and communicate with the director to obtain his account of the transactions in question
- Continue to liaise with potential funders with a view to progressing the claims

These works are required to comply with our duties and standards of best practice; any financial benefit to the creditors is uncertain at present. Creditors benefit from these works being carried out as they ensure proper stewardship of the Company's assets and seek to maximise asset realisations for the benefit of creditors as a whole.

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

- Updating the schedule of unsecured creditor claims;
- Receiving creditor claims and inputting them on internal case management software;
- Taking and dealing with phone calls from creditors; and
- Acknowledgment of creditor claims correspondence and/ or dealing with further queries on claims.

On this engagement, the work detailed above will have a direct financial benefit to creditors should a dividend become payable. The work will also have been undertaken to comply with the Insolvency Act and Rules together with best practice and enabling creditors to have evidence of their loss for tax and VAT purposes.

Where the works do not confer a financial benefit to the creditors, these works have been completed as it is a duty of the appointed liquidators to comply with the Insolvency Act and Rules. Furthermore, the Officeholders and their staff are required to adhere to the Code of Ethics and standards of professional conduct. The creditors benefit

from this being done as it promotes good stewardship, and that this engagement is dealt with in a timely manner and to a standard expected of this firm.

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

- Liaising with HMRC in respect of the outstanding VAT appeal;
- The Completion of Corporation Tax returns;
- Seeking closure clearance from HMRC; and
- Seeking creditor approval to an increase in our level of remuneration, should sufficient assets become available to discharge them in full.

The above has no direct financial benefit to creditors but has to be done in order to comply with the Insolvency Rules and other statutory requirements.

How much will this further work cost?

As can be seen above, there are additional elements of work which were not envisaged at the onset of my appointment, and which need to be carried out in order to complete my duties. The cost of the work is estimated to be approximately £5,000 - £10,000 which is in addition the time costs already incurred. The actual time costs will depend on whether the liquidators pursue any claims against the director. In the event of formal proceedings, our further time costs could be far in excess of £10,000. As discussed above, the time costs incurred to date are already in excess of the approved level of remuneration. We do not consider it necessary to seek creditor approval for the fair and reasonable increase in our remuneration at this juncture as there are insufficient funds in the case to discharge our fees in full.

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 estimate of anticipated expenses sent to creditors on 10 April 2017 which included all of the expenses that we anticipated that we will incur throughout the liquidation. Details of expenses incurred to date, together with an estimate of future expenses which we anticipate we will need to incur, are provided to creditors in Appendix 3 of this report.

What is the anticipated payment for administering the case in full?

We estimated that the cost of administering the case would be in the region of £18,597 and subsequently you have provided approval for us to draw our remuneration up to that level. However, as you are aware, due to the fact that there are limited assets, the remuneration that we can draw is limited to the amount that is realised for the assets, (less any costs incurred in realising those assets). At this stage in the liquidation, I can estimate that total remuneration drawn will be in the region of £6,700 but the eventual figure will depend on what, if any, further realisations are made.

However, please note that should there be additional or unexpected asset realisations, we will look to draw our remuneration from those too, capped at the level that the creditors approve.

9. OTHER RELEVANT INFORMATION

Connected party transactions

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

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.


Simon Killick
Joint Liquidator

Dated: 09 May 2023

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 14 March 2022 to 13 March 2023

Groundwork Facilities Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 14/03/2022 To 13/03/2023 £	From 14/03/2017 To 13/03/2023 £
	ASSET REALISATIONS		
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8,400.00	Cash at Begbies Traynor	NIL	8,400.00
Uncertain	Leasehold Property	NIL	NIL
Uncertain	Rent Deposit Deed	NIL	NIL
Uncertain	Tax Refund	NIL	NIL
		NIL	15,126.24
	COST OF REALISATIONS		
	Accountancy Fees	NIL	1,000.00
	Irrecoverable VAT	NIL	200.00
	Liquidators' Fees	NIL	6,700.00
	Rating Agent's Fees	NIL	1,139.75
	Specific Bond	NIL	18.00
	Statement of Affairs Fee	NIL	6,000.00
	Statutory Advertising	NIL	68.49
		NIL	(15,126.24)
	UNSECURED CREDITORS		
(50,411.12)	HMRC (non VAT)	NIL	NIL
(52,000.00)	HMRC (VAT)	NIL	NIL
(36,401.72)	Trade Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(128,317.39)		NIL	(0.00)
	REPRESENTED BY		
			NIL

COSTS AND EXPENSES

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 14 March 2022 to 13 March 2023; and
- c. Cumulative Time Costs Analysis for the period from 14 March 2017 to 13 March 2023

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 *expenses* (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 *expenses* (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 (London £150) per meeting;
- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a Category 1 *expenses*) 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.

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 expenses.

Services provided by other entities within the Begbies Traynor group

The following items of expenditure which relate to services provided by an entity within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval):

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

Additional payments received by Eddisons Commercial Limited from purchasers where assets are disposed of by way of auction

In addition to the charges of Eddisons Commercial Limited detailed above for providing the services to the office holder, where any machinery and business assets (other than freehold/leasehold property) are disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's premium, equivalent to 15% of the successful bid. Where any freehold/leasehold property is disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's administration fee, in the sum of £600. It is standard auction industry practice for a buyer's premium and buyer's administration fee to be charged. The buyer's premium and buyer's administration fee is paid by the purchaser of the assets and is not paid by the office holder from the assets of the estate.

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

Grade of staff	Charge-out rate (£ per hour) 1 May 2011 – 30 November 2018	Charge-out rate (£ per hour) 1 December 2018 – 31 December 2021	Charge-out rate (£ per hour) 1 January 2022 until further notice
Partner	395	495	545
Director	345	445	490
Senior Manager	310	395	435
Manager	265	345	380
Assistant Manager	205	250	275
Senior Administrator	175	225	240
Administrator	135	175	195
Trainee Administrator	110	140	155
Support	60 – 110	140	155
Secretarial	-	-	155

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 Groundwork Facilities Limited - Creditors Voluntary Liquidation - 01GR281.CVL : Time Costs Analysis From 14/03/2022 To 13/03/2023

Staff Grade		Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning												0.00
	Administration				0.1			0.6		0.1	0.8	170.50	213.13
	Total for General Case Administration and Planning:				0.1			0.6		0.1	0.8	170.50	213.13
Compliance with the Insolvency Act, Rules and best practice	Appointment												0.00
	Banking and Bonding									1.6	1.6	248.00	155.00
	Case Closure												0.00
	Statutory reporting and statement of affairs				2.0						2.0	760.00	380.00
	Total for Compliance with the Insolvency Act, Rules and best practice:				2.0					1.6	3.6	1,008.00	280.00
Investigations	CDDA and investigations		6.9		1.3			4.8			13.0	4,811.00	370.08
	Total for Investigations:		6.9		1.3			4.8			13.0	4,811.00	370.08
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												0.00
	Creditors committee												0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:												0.00
Other matters which includes meetings, tax, litigation, pensions and travel	Seeking decisions of creditors												0.00
	Meetings												0.00
	Other												0.00
	Tax												0.00
	Litigation												0.00
	Total for Other matters:												0.00
	Total hours by staff grade:		6.9		3.4			5.4		1.7	17.4		
	Total time cost by staff grade £:		3,381.00		1,292.00			1,053.00		263.50		5,989.50	
	Average hourly rate £:	0.00	490.00	0.00	380.00	0.00	0.00	195.00	0.00	155.00			344.22
	Total fees drawn to date £:											0.00	

SIP9 Groundwork Facilities Limited - Creditors Voluntary Liquidation - 01GR281.CVL : Time Costs Analysis From 14/03/2017 To 13/03/2023

Staff Grade		Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	7.1			4.0						11.1	4,084.50	367.97
	Administration		0.6	5.1	23.0			0.6	2.8	7.7	39.8	10,516.50	264.23
	Total for General Case Administration and Planning:	7.1	0.6	5.1	27.0			0.6	2.8	7.7	50.9	14,601.00	286.86
Compliance with the Insolvency Act, Rules and best practice	Appointment								0.5		0.5	55.00	110.00
	Banking and Bonding				0.7				2.3	4.5	7.5	1,109.50	147.93
	Case Closure												0.00
	Statutory reporting and statement of affairs		0.4		16.0			0.1	3.5		20.0	5,532.50	276.63
	Total for Compliance with the Insolvency Act, Rules and best practice:		0.4		16.7			0.1	6.3	4.5	28.0	6,697.00	239.18
Investigations	CDDA and investigations		17.1		31.3			4.8			53.2	18,584.50	349.33
	Total for Investigations:		17.1		31.3			4.8			53.2	18,584.50	349.33
Realisation of assets	Debt collection												0.00
	Property, business and asset sales			0.2	2.0				0.6		2.8	675.00	241.07
	Retention of Title/Third party assets												0.00
	Total for Realisation of assets:			0.2	2.0				0.6		2.8	675.00	241.07
Trading	Trading												0.00
	Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured												0.00
	Others				8.2						8.2	2,173.00	265.00
	Creditors committee												0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:				8.2						8.2	2,173.00	265.00
Other matters which includes meetings, tax, litigation, pensions and travel	Seeking decisions of creditors												0.00
	Meetings												0.00
	Other												0.00
	Tax				4.8				1.7		6.5	1,584.00	243.69
	Litigation												0.00
	Total for Other matters:				4.8				1.7		6.5	1,584.00	243.69
Total hours by staff grade:		7.1	18.1	5.3	90.0			5.5	11.4	12.2	149.6		
Total time cost by staff grade £:		2,864.50	8,276.50	1,974.50	27,239.00			1,072.50	1,281.00	1,604.50		44,314.50	
Average hourly rate £:		403.45	457.38	372.55	302.66	0.00	0.00	195.00	112.37	131.52			296.22
Total fees drawn to date £:												6,700.00	

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	Specialist Risk Insurance Solutions (previously AUA Insolvency Risk Services)	1.30	Nil	1.30
Land Searches	Land Registry	36.00	Nil	36.00
Postage	Postworks	2.25	Nil	2.25
Expenses incurred with entities within the Begbies Traynor Group (<i>for further details see Begbies Traynor Charging Policy</i>)				
None				

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Statutory Advertising	TMP (UK) Limited	140
Bond Premium	Specialist Risk Insurance Solutions (previously AUA Insolvency Risk Services)	22.90
Accountancy Fee	DR Accountancy Services	1,200.00
Rating Agent's Fees	Kingford Partnership	1,139.75
Land Registry Searches	Land Registry	79.00
Postage	Postworks	24.63
Total		1,406.28

ADDITIONAL EXPENSES ANTICIPATED FOR FUTURE WORK

Expenses anticipated to be incurred prior to closure of the case	Name of party with whom expense anticipated to be incurred	Amount estimated to cost £
Litigation Funders	Not certain at this stage	Uncertain
Postage	Postworks	Uncertain
Statutory Advertising	EPE Reynell	81.00
Land Searches	Land Registry	Uncertain