

# AM10

## Notice of administrator's progress report



Companies House

FRIDAY



\*A90R6ZS3\*

A19

13/03/2020

#205

COMPANIES HOUSE

### 1 Company details

Company number 0 9 2 4 0 7 4 5

Company name in full Startermode Limited

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

### 2 Administrator's name

Full forename(s) Julian

Surname Pitts

### 3 Administrator's address

Building name/number Fourth Floor

Street Toronto Square

Post town Toronto Street

County/Region Leeds

Postcode L S 1 2 H J

Country

### 4 Administrator's name ①

Full forename(s) Andrew

Surname Mackenzie

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

### 5 Administrator's address ②

Building name/number Fourth Floor

Street Toronto Square

Post town Toronto Street

County/Region Leeds

Postcode L S 1 2 H J

Country

② Other administrator  
Use this section to tell us about  
another administrator.

## Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**  
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ❶  
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**  
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**  
Please complete in typescript or in bold black capitals.  
All fields are mandatory unless specified or indicated by \*

### 1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

❶ You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

### 2 Insolvency practitioner's name


Full forename(s) Christopher  
Surname Brooksbank

### 3 Insolvency practitioner's address

Building name/number Mooredend House  
Street Snelsins Lane  
Post town Cleckheaton  
County/Region West Yorkshire  
Postcode B D 1 9 3 U E  
Country

# AM10

## Notice of administrator's progress report

<b>6</b>	<b>Period of progress report</b>															
From date	d	0	d	7	m	1	m	2	y	2	y	0	y	1	y	9
To date	d	0	d	6	m	0	m	3	y	2	y	0	y	2	y	0
<b>7</b>	<b>Progress report</b>															
<input checked="" type="checkbox"/> I attach a copy of the progress report																
<b>8</b>	<b>Sign and date</b>															
Administrator's signature	Signature 												X			
Signature date	d	0	d	6	m	0	m	3	y	2	y	0	y	2	y	0

Julian Pitts and Andrew Mackenzie appointed joint administrators on 7 December 2018

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.

---

## **Startermode Limited (In Administration)**

---

Final Progress Report of the joint administrators

Period: 7 December 2019 to 6 March 2020

## **Important Notice**

This final progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

## **Contents**

- Interpretation
- Statutory information
- Details of appointment of administrators
- Progress during the period
- Outcome for creditors
- Administrators' proposals
- Summary of steps taken during the administration
- Pre-administration costs
- Remuneration and disbursements
- Expenses
- Creditors' rights
- Assets that remain to be realised
- Other relevant information
- Conclusion
- Appendices
  - 1. Account of receipts and payments
  - 2. Summary of administrators' proposals, including major amendments to, and deviations from them
  - 3. Time costs and disbursements
  - 4. Statement of expenses

# 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Startermode Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 7 December 2018
"the administrators", "we", "our", "us"	Julian Pitts of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ;  Andrew Mackenzie of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ; and  Christopher Brooksbank of O'Haras Limited, Moorend House, Snelsins Lane, Cleckheaton, West Yorkshire, BD19 3UE
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and  (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act.

# 2. STATUTORY INFORMATION

Name of Company	Startermode Limited
Trading name:	n/a
Date of Incorporation:	30 September 2014
Company registered number:	09240745
Company registered office:	Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ

### 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of administrators:	Julian Pitts, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ; Andrew Mackenzie, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ; and Christopher Brooksbank of O'Haras Limited, Moorend House, Snelsins Lane, Cleckheaton, West Yorkshire, BD19 3UE
Date of appointment:	7 December 2018
Date of resignation:	n/a
Court:	In the High High Court of Justice, Business and Property Courts in Leeds, Insolvency Companies List
Court Case Number:	1226 of 2018
Person making appointment:	Burningnight Limited
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.
EU Regulation on Insolvency Proceedings:	Regulation (EU) 2015/848 of the European Parliament and of the Council] applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.
Extensions of the administration period	The administration was extended with the consent of the secured creditor for a period of 3 months until 6 March 2020.

### 4. PROGRESS DURING THE PERIOD

#### Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 7 December 2019 to 6 March 2020.

There have been no receipts or payments for the whole period of the administration.

**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 3. 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 reports contain details of the work undertaken since our appointment.

#### General case administration and planning

Time has been spent in maintaining electronic case files and complying with internal filing and information recording practices, updating internal checklists and completing periodic reviews.

Whilst this does not benefit creditors financially, it is necessary to ensure the efficient and compliant progression of the administration, which ensures that the joint administrators and their staff carry out their work to high professional standards.

#### Compliance with the Insolvency Act, Rules and best practice

During the period of this report we have prepared and issued to all relevant parties our six monthly progress report dated 23 December 2019 in order to provide an update to the creditors of the progress made during the administration. This report was filed at Companies House in order to meet statutory requirements.

Time has been spent in reviewing the exit routes from administration and liaising with solicitors in relation to the expiring of the administration.

Whilst this work is of no direct financial benefit to creditors it is necessary in accordance with the Act, Rules and best practice.

#### Realisation of assets

As detailed in our previous progress report, an offer to purchase the Company's shares had been received and accepted. Time has therefore been spent in dealing with the share sale, reviewing the share sale documentation and liaising with all parties in respect of the sale including solicitors acting on our behalf and the purchaser's solicitors.

It has been necessary to spend further time reviewing the purchase documentation as well as legal charges and cross guarantee documents, that are necessary for the new purchasers, on behalf of the Company, to enter into. As administrators it has been necessary to be a party to this documentation but only insofar as it relates to the Company's granting security that will relate to the period following the Company's administration. The administrators have no liability in this regard.

Time has been spent in liaising with the secured creditor who expressed, from the beginning, that such a sale should be completed as it was in their best interests to do so, taking into consideration that they were the largest creditor. Such a sale would also allow the lease in respect of the leasehold premises to continue ensuring that the landlord had a tenant going forward. The landlord is also a creditor of the Company.

Burningnight Limited in Administration is the 100% shareholder of the Company and therefore has received the share sale proceeds of £5,000 direct.

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

The time spent in dealing with creditors' queries, in particular the secured creditor and landlord, has been recorded under the realisation of assets category.



Other matters which includes seeking decision of creditors via deemed consent procedure and/or decision procedures, meetings, tax, litigation, pensions and travel

We have spent time in dealing with the tax returns due in respect of the administration period.

Time has also been spent in meetings to discuss the progression and closure of the matter.

## 5. OUTCOME FOR CREDITORS

### **Secured creditor**

Following a sale of the share of the Company, ABLrate's indebtedness will continue to be serviced in accordance with the loan agreement by the Company under its new ownership.

### **Preferential creditors**

There are no known preferential claims.

### **Prescribed Part for unsecured creditors pursuant to Section 176A of the Act**

Details of how the prescribed part is calculated have previously been provided in our statement of proposals.

### **Unsecured creditors**

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

### **Ending the administration**

As the notice (Form AM20) accompanying this report confirms, our appointment as administrators ceased to have effect on 6 March 2020.

## 6. ADMINISTRATORS' PROPOSALS

Attached at Appendix 2 is a summary of our proposals as deemed approved under Rule 3.38(4) of the Rules in the absence of an initial meeting of creditors.

## 7. SUMMARY OF STEPS TAKEN DURING THE ADMINISTRATION

Following appointment, we attended the Company's head office to collate as much information as possible. We dealt with all creditor queries as and when they were received, maintaining a database as regards creditors' contact details and claims.

We wrote to all professional and financial advisors of the Company in order to ascertain information they held

There are certain tasks that we were required to undertake on appointment, in particular advising relevant parties of our appointment and obtaining a statutory bond that was sufficient to cover the value of realisations expected to be realised during the Administration.

## **Freehold and Leasehold Property**

Upon appointment we instructed agents, Eddisons Commercial Limited ("Eddisons"), to review and provide a desk top valuation of the freehold and leasehold premises. We also instructed Eddisons t/a Remotezone to attend the premises for insurance and security purposes.

The property was in the initial stages of a complete renovation with the units having been completely stripped out and under extensive construction. The property was subject to security from a third party secured lender, ABLrate, and following appointment and throughout the whole period of the administration we have continued to liaise with them in relation to the strategy to be adopted in dealing with the realisation of the property.

We were advised by our agents that the property value was minimal which meant that the secured creditor was to suffer a significant shortfall on its lending.

As previously advised, we received interest from two parties for the purchase of the Company's interest in both the freehold and leasehold property together with confirmation that they were prepared to continue to service the secured creditor's debt.

However, one party fell away leaving the remaining offer of £5,000 to purchase the Company's share which was accepted. This meant that the Company would continue, following its exit from administration, the lease to the leasehold premises remained in existence, ensuring that the landlord continued to have a tenant, and the secured creditor had the opportunity of mitigating any potential losses, as the new purchaser of the Company would ensure its loan was being serviced.

A share sale to JR Taverns (Cardiff) Limited was completed and the sum of £5,000 was received by Burningnight Limited in Administration, in its capacity as the shareholder.

We then proceeded to close the file and deal with all closure formalities.

## **8. PRE-ADMINISTRATION COSTS**

The pre-administration costs that were unpaid at the date of our appointment were detailed in our statement of proposals for achieving the purpose of administration. These costs were approved to be paid as an expense of the administration by the secured creditor. However as there have been no asset realisations in this matter, there are no funds with which to pay these costs.

## **9. REMUNERATION & DISBURSEMENTS**

Our remuneration has been fixed by the secured creditor by reference to the time properly given 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 as set out in the fees estimate. We are also authorised to draw disbursements, including disbursements for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, details of which accompanied the Statement of proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report.

Begbies Traynor (Central) LLP's time costs for the period from 7 December 2019 to 6 March 2020 amount to £8,223 which represents 22 hours at an average rate of £367 per hour.

O'Haras Limited's time costs for the period 7 December 2019 to 6 March 2020 amount to £300 which represents 1 hour at an average rate of £300 per hour.

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

- Time Costs Analysis for the period 7 December 2019 to 6 March 2020
- Begbies Traynor (Central) LLP's charging policy

There have been no realisations in this matter and there are therefore no funds with which to discharge our remuneration.

In addition to the time costs information disclosed at Appendix 3 for the period since our last progress report, a cumulative Time Costs Analysis for the period from 7 December 2018 to 6 December 2019 is also attached at Appendix 3.

In the absence of there being sufficient realisations to discharge our time costs in full, our unbilled time costs of £45,976, have been written off as irrecoverable. However, we reserve the right to recover our unbilled time costs in the event that circumstances subsequently permit us to do so.

## Disbursements

To 6 March 2020, we have incurred disbursements in the sum of £111.

### Category 2 Disbursements

Eddisons Insurance Services, which is a member of the Begbies Traynor group, has provided insurance broking services and specifically obtained cover insurance for the insurable risk at the property. The costs incurred in this regard will be discharged from the share sale proceeds received by Burningnight Limited in Administration.

Eddisons Commercial Limited t/a Remotezone have provided assistance in attending the property to provide a full risk assessment and secure the property accordingly. It has also been necessary to attend the property and make it secured on a separate occasion. Their costs incurred in dealing with this will be discharged from the share sale proceeds received by Burningnight Limited in Administration.

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2017' which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at [www.begbies-traynor.com/creditorsguides](http://www.begbies-traynor.com/creditorsguides). Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

## 10. EXPENSES

A statement of the expenses incurred by us during the period of this progress report is attached at Appendix 4. A cumulative statement of expenses also appears at Appendix 4 which details the expenses incurred since the date of our appointment.

### Legal Fees

Gosschalks solicitors have been instructed to assist the administrators during the administration and to provide legal advice generally on all matters arising throughout. Below sets out the matters dealt with together with a breakdown of the fees incurred for which the Company is **jointly and severally liable together with others of the 11 companies within the group** due to the linked and inter-twined supply structure, banking and borrowing arrangements between the group companies.

- General advice provided on all matters in the administration after the appointments by Court Order on 7 December 2018 (jointly and severally liable with all other group companies in administration) - £33,835 and disbursements of £136

- General advice, preparation and dealing with the Court applications for the administration orders for the Company, Anotherdate Limited, Contactwith Limited, Harrogate Bar Co Limited, Organisetime Limited, Sports Café 2008 (Leeds) limited, Crossingarea Limited, Supplyof Limited, Burningnight Limited and Visionary Leisure Limited (jointly and severally liable with all other group companies in administration) - £45,714 and disbursements of £242
- Providing advice in relation to potential claims against third parties to include preference, transaction at undervalue and claims against security (jointly and severally liable with all other group companies in administration) - £42,096 and disbursements of £461
- Providing advice on the secured creditors' security (jointly and severally liable with Burningnight Limited and Cornertrack Limited) - £5,904
- Advising on the extensions of the administrations and preparing the Court applications (jointly and severally liable with all other group companies in administration) - £15,689 plus disbursements of £2,121
- Considering and advising on the private examination of the secured creditor of the Company, Burningnight Limited and Cornertrack Limited (jointly and severally liable with all other group companies in administration) - £1,020
- Considering and advising on the private examination of the director of the Company, Burningnight Limited and Cornertrack Limited (jointly and severally liable with all other group companies in administration) - £620

Our solicitor's fees have exceeded the estimate. This is due to the complex matters that have been identified as requiring legal advice and the Company being jointly and severally liable. There are no realisations in this matter to enable solicitors' fees to be discharged by the Company.

## 11. 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 (other than pre-administration costs) 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 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 during the period of this progress report are excessive or, in relation to the basis fixed for our remuneration, inappropriate.

## 12. ASSETS THAT REMAIN TO BE REALISED

There are no assets of the Company that remain to be realised.

## 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, Energy and Industrial Strategy on the conduct of the director. We have complied with our duties in this respect.

### **Investigations completed**

As explained in our interim progress report we have been investigating the manner in which the business was conducted prior to the administration of the Company and the potential recoveries for the estate in this respect. These investigations were carried out as part of the wider "group" investigations. In this regard, we have not identified any claims that we consider it would be worth pursuing by the Company, the administrators and any subsequently appointed liquidator.

### **Extension of administration**

The administration has been extended for a period of 3 months with the consent of the secured creditor.

### **Use of personal information**

Please note that although the administration is being concluded, in discharging our remaining duties as Joint Administrators, 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.

## 14. CONCLUSION

The administrators are seeking their discharge as administrators from the Court, to coincide with the date on which our appointment as administrators ceases to have effect i.e. 6 March 2020.



**J N Pitts**  
Joint Administrator

Date: 6 March 2020

# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 7 December 2019 to 6 March 2020

S of A £		£	£
	SECURED CREDITORS		
(712,604.13)	ABLRate Assets Limited	<u>NIL</u>	NIL
<u>(712,604.13)</u>			<u><u>NIL</u></u>
	REPRESENTED BY		
			<u><u>NIL</u></u>

## SUMMARY OF ADMINISTRATORS' PROPOSALS, INCLUDING MAJOR AMENDMENTS TO AND DEVIATIONS FROM THEM

### **Proposals deemed approved under Rule 3.38(4) of the Insolvency (England and Wales) Rules 2016 (as amended)**

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

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

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

It was not considered possible to achieve objective 3(1)(a) as the Company had a significant level of high interest loans to the secured creditor, for which it was unable to meet the contractual repayments. This was due to the Company not receiving any income following the closure of the bar. The Company's rent was being paid by another company within the group which has subsequently been placed into administration.

In order that the purpose of the administration may be fully achieved, we propose to remain in office as administrators in order to conclude the following matters:

- Realisation of the Company's interest in the freehold and leasehold property;
- Agree the secured creditor claims and distribute funds when available; and
- To continue with investigations and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officers of the Company or any person, firm or company that supplies or has supplied goods or services to the Company.

Following the realisation of assets and resolution of all matters in the administration, and as quickly and efficiently as is reasonably practicable, we will implement the most cost effective steps to formally conclude the administration.

#### ***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 deliver a notice of moving from administration to dissolution to the Registrar of Companies. Upon the registration of such notice 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.

### **Compulsory Liquidation**

Certain events may arise which mean that it becomes in the Company's interests to move from administration to compulsory liquidation. Such events being that the only remaining matter to deal with is the investigations into the Company's affairs which can be dealt with more practically with the Company in liquidation. As there is no anticipated dividend distribution to unsecured creditors the Company cannot exit administration via creditors' voluntary liquidation.

### **Extending the administration**

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



## TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP's charging policy;
- b. O'Haras Limited's charging policy;
- c. Time Costs Analysis for the period from 7 December 2019 to 6 March 2020; and
- d. Cumulative Time Costs Analysis for the period from 7 December 2018 to 6 March 2020.

## **BEGBIES TRAYNOR CHARGING POLICY**

### **INTRODUCTION**

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance<sup>1</sup> requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. 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 guidance<sup>2</sup> 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 (London £150) per meeting;
- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates;

---

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

<sup>2</sup> Ibid 1

*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.

***Services provided by other entities within the Begbies Traynor group***

The following items of expenditure which relate to services provided by entities 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):

It may become necessary to instruct Eddisons Commercial Limited to provide assistance in valuing the assets of the Company and provide any 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 Leeds office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour)
	1 December 2018 – until further notice
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Support	140

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.

The office holder may use the services of BTG Forensic during the course of the case. BTG Forensic is a specialist department of the office holder's firm which provides forensic accounting services. The current charge-out rates applying to work carried out by BTG Forensic are as follows:

Grade of staff	Charge-out rate
	(£ per hour)
Partner	250
Senior Manager	175

## O'Haras Limited Practice Fees and Disbursements Recovery Policy

### Time Cost basis

When charging fees on a time cost basis we use charge out rates appropriate for the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

### Charge out Rates

Grade of Staff	Current Charge out Rate (Effective from 1 January 2013) £ per hour
Director	300 - 400
Senior Manager	250 - 300
Manager	200 - 250
Administrator	175 - 200
Support Staff	150 - 175
Time costs are calculated using 6 minute units.	

These charge out rates are reviewed on 1 January each year and are adjusted to take account of inflation and the firm's overheads.

### Disbursements

In accordance with Statement of Insolvency Practice 9 (SIP 9) the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or O'Haras Limited; in the case of the latter, the invoices makes a reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors, either by a direct payment from the estate or where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of Category 1 disbursements are statutory advertising, external meeting room hire, external storage and archiving costs, specific bond insurance, Company search fees, postage, travel expenses and photocopying (where a third party is used).

Category 2 expenses are incurred by the firm and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the bases of the disbursement charge being approved by creditors in advance. Examples of Category 2 disbursements are photocopying (internal), internal room hire, internal storage and mileage.

It is proposed that the following Category 2 disbursements are recovered as follows:

Postage:	
1 <sup>st</sup> Class	£1.10
2 <sup>nd</sup> Class	£1.00
Airmail	£2.00
Other	According to weight and size
Photocopying	Up to 20p per sheet
Mileage	70p per mile
Internal Room Hire	£25 - £100 per meeting

## PROVISION OF SERVICES REGULATIONS SUMMARY SHEET FOR O'HARAS LIMITED

The following information is designed to draw the attention of interested parties to the information required to be disclosed by the Provision of Services Regulations 2009.

### Licensing Body

Christopher Brooksbank is licensed to act as an Insolvency Practitioner ("IP") in the United Kingdom by the Insolvency Practitioners Association ("IPA").

### Code of Ethics and Rules Governing Actions

All IP's are bound by the rules of their professional body, including any that relate specifically to insolvency. All IPA members are required to act in accordance with the IPA's Ethics Code for Members as well as complying with the Statement of Insolvency Practice (SIP's) and to take account of guidance given by the IPA. Details of the required code of ethics, regulations and guidance can be found at <http://www.insolvencypractitioners.org.uk/regulation-and-guidance/regulation-and-guidance>.

### Complaints

At O'Haras Limited we always strive to provide a professional and efficient service. However, we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. As such, should you have any comments or complaints regarding the administration of a particular case then in the first instance you should contact the IP acting as office holder (Christopher Brooksbank).

If you consider that the IP has not dealt with your comments or complaint appropriately you should then put details of your concerns in writing to Stephen O'Hara, addressed to our offices situated at Moorend House, Snelsins Lane, Cleckheaton, West Yorkshire, BD19 3UE who will then endeavour to deal with this.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, if you are not satisfied that your complaint has been resolved or dealt with appropriately, then you may complain to the regulatory body that licenses the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3<sup>rd</sup> Floor, 1 City Walk, Leeds, LS11 9DA and you can make submission using an on-line form available at: [www.gov.uk/complain-about-insolvency-practitioner](http://www.gov.uk/complain-about-insolvency-practitioner); or you can email: [insolvency.enquiryline@insolvency.gsi.gov.uk](mailto:insolvency.enquiryline@insolvency.gsi.gov.uk); or you may phone: 0300 678 0015 – calls are charged at up to 12p per minute from a land line, or for mobiles, between 3p and 45p per minute if you are calling from the UK.

### Professional Indemnity Insurance

O'Haras Limited's professional indemnity insurance is provided by Brunel Professional Risk.

### VAT

O'Haras Limited is registered for VAT under registration number 975 6645 64.

Staff Grade	Case planning	Director	Sm Mgr	Unpr	Analyst	Finance	Str Admin	Admin	Int Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Administration	0.7							2.6		3.3	675.50	204.70
	Total for General Case Administration and Planning:	0.7							2.6		3.3	675.50	204.70
Compliance with the Insolvency Act, rules and best practice	Appointment									0.2	0.2	28.00	140.00
	Banking and Bonding								0.2		0.2	28.00	140.00
	Case Closure	5.3							0.3		5.6	2,400.50	428.86
	Statutory reporting and statement of affairs	4.0							2.1		6.1	2,074.00	340.00
	Total for Compliance with the Insolvency Act, Rules and best practice:	9.3							2.8	0.2	12.1	4,500.50	374.42
Investigations	CDDA and Investigations												0.00
	Total for Investigations:												0.00
Realisation of assets	Debt collection												0.00
	Property, business and asset sales	4.0							0.2		5.9	2,648.50	449.07
	Retention of Title/Third party assets												0.00
	Total for Realisation of assets:	4.0							0.2		5.9	2,648.50	449.07
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 seeking decisions of creditors, meetings, tax, litigation, pensions and travel	Seeking decisions of creditors												0.00
	Meetings	0.7											0.00
	Other												0.00
	Tax									0.4	0.4	56.00	140.00
	Litigation												0.00
	Total for Other matters:	0.7								0.4	1.1	367.50	334.09
	Total hours by staff grade	14.7							5.4	0.8	22.4		
	Total time cost by staff grade:	6,541.50							756.00	84.00		8,223.00	
	Average hourly rate £:	445.00	0.00	0.00	0.00	0.00	0.00	0.00	140.00	140.00		367.10	
	Total fees drawn to date £:											0.00	

Staff Grade	Case planning	Consultant/Partner	Director	Sr Mgr	Mgr	Asst Mgr	Sr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Administration	1.8	0.3	2.4				0.1	1.3		5.8	2,154.50	371.47
	Total for General Case Administration and Planning	1.8	0.3	2.4				0.1	1.3	0.5	19.0	5,518.00	290.42
Compliance with the Insolvency Act, Rules and best practice	Banking and Bonding	1.0		0.3		0.8			3.1	0.4	5.6	1,303.50	232.77
	Case Closure	0.2							0.8	0.2	1.2	235.00	199.17
	Statutory reporting and statement of affairs	2.5	11.3						18.0		11.6	5,070.50	437.11
	Total for Compliance with the Insolvency Act, Rules and best practice	3.7	17.8	7.3		0.8			22.2	0.6	34.0	9,415.00	276.91
Investigations	CDDA and investigations	2.8	1.7	4.2							52.4	16,028.00	305.86
	Total for investigations	2.8	1.7	4.2							52.4	16,028.00	305.86
Realisation of assets	Debt collection	1.8	4.3						0.8		9.5	3,813.50	411.95
	Property, business and asset sales			0.5					0.5		0.5	197.50	395.00
	Retention of Third/Third party assets	3.5	18.8	3.7					0.2		28.2	11,586.00	442.29
	Total for Realisation of assets:	3.5	18.8	4.2					0.2		28.7	11,783.50	441.40
Trading	Trading												0.00
	Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured		2.3								2.3	1,023.50	445.00
	Others	0.3	0.4						0.1		0.8	340.50	425.63
	Creditors committee												0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions	0.3	2.7						0.1		3.1	1,364.00	440.00
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel	Seeking decisions of creditors			0.1							0.1	38.50	395.00
	Meetings	0.6	0.7	0.6							1.9	845.50	445.00
	Other								0.5		0.5	70.00	140.00
	Tax								0.1	0.4	0.5	70.00	140.00
	Litigation												0.00
	Total for Other matters:	0.6	0.7	0.7					0.6	0.4	3.0	1,025.00	341.67
	Total hours by staff grade:	12.7	48.6	22.1		0.8		0.1	33.7	1.5	119.5		
	Total time cost by staff grade:	6,286.50	21,627.00	8,729.50		200.00		17.50	4,718.00	210.00		41,788.50	
	Average hourly rate £:	495.00	445.00	395.00		250.00		175.00	140.00	140.00			348.69
	Total fees drawn to date £:											0.00	



# Time Entry - SIP9 Time & Cost Summary

S592 - Startermode Limited  
All Post Appointment Project Codes  
To: 10/03/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	5.70	0.00	5.50	0.20	11.40	3,112.50	273.03
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.33	0.00	0.30	75.00	250.00
General Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.50	0.00	1.00	0.00	1.50	400.00	266.67
Realisation of Assets	2.00	0.00	0.00	0.00	2.00	600.00	300.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>8.20</b>	<b>0.00</b>	<b>6.80</b>	<b>0.20</b>	<b>15.20</b>	<b>4,187.50</b>	<b>275.49</b>
<b>Total Fees Claimed</b>						<b>0.00</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	

# Time Entry - SIP9 Time & Cost Summary

S592 - Startermode Limited  
All Post Appointment Project Codes  
To: 06/12/2019

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	5.70	0.00	5.50	0.20	11.40	3,112.50	273.03
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.30	0.00	0.30	75.00	250.00
General Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.50	0.00	1.00	0.00	1.50	400.00	266.67
Realisation of Assets	1.00	0.00	0.00	0.00	1.00	300.00	300.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>7.20</b>	<b>0.00</b>	<b>6.80</b>	<b>0.20</b>	<b>14.20</b>	<b>3,887.50</b>	<b>273.77</b>
<b>Total Fees Claimed</b>						<b>0.00</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	

## STATEMENT OF EXPENSES FOR THE PERIOD

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities <b>not</b> within the Begbies Traynor Group				
Legal fees	Gosschalks Solicitors	5,000	Nil	5,000
Legal fees (jointly and severally liable)	Gosschalks Solicitors	144,878	Nil	144,878
Legal disbursements (jointly and severally liable)	Gosschalks Solicitors	2,960	Nil	2,960

## CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Legal fees	Gosschalks Solicitors	144,878
Legal disbursements	Gosschalks Solicitors	2,960
Statutory advertising	Courts Advertising	85
Bond	Marsh Limited	20
Search fees	Land Registry	6

# AM10

## Notice of administrator's progress report



### 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 **Laura Amann**

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

Address **Fourth Floor**

**Toronto Square**

Post town **Toronto Street**

County/Region **Leeds**

Postcode **L S 1 2 H J**

Country

DX

Telephone **0113 244 0044**



### 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**