

AM10

Notice of administrator's progress report



Companies House

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12/05/2018

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COMPANIES HOUSE

1 Company details

Company number 01017663

Company name in full LHY Developments Limited
(formerly Envirodoor Limited)

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

2 Administrator's name

Full forename(s) Andrew

Surname Mackenzie

3 Administrator's address

Building name/number Unit 8B

Street Marina Court

Post town Castle Street

County/Region Hull

Postcode HU1 1TJ

Country

4 Administrator's name ①

Full forename(s) Julian

Surname Pitts

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 LS1 2HJ

Country

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

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 1	^d 0	^m 1	^m 0	^y 2	^y 0	^y 1	^y 7
To date	^d 0	^d 9	^m 0	^m 4	^y 2	^y 0	^y 1	^y 8

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date	^d 0	^d 8	^m 0	^m 5	^y 2	^y 0	^y 1	^y 8
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Andrew Mackenzie and Julian Pitts were appointed joint administrators on 10 October 2017

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.

LHY Developments Limited (formerly Envirodoor Limited) (In Administration)

Progress report of the joint administrators

Period: 10 October 2017 to 09 April 2018

Important Notice

This 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.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	LHY Developments Limited (formerly Envirodoor Limited) (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 10 October 2017
"the administrators" "we" "our" and "us"	Andrew Mackenzie of Begbies Traynor (Central) LLP, Unit 8B, Marina Court, Castle Street, Hull, HU1 1TJ and Julian Pitts of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ
"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 Insolvency Act 1986

2. STATUTORY INFORMATION

Name of Company	LHY Developments Limited (formerly Envirodoor Limited)
Trading name(s):	Envirodoor
Date of Incorporation:	14 July 1971
Company registered number:	01017663
Company registered office:	Unit 8B, Marina Court, Castle Street, Hull, HU1 1TJ
Company's Former Registered Office:	Viking Close, Willerby, Hull, HU10 6BS

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators:	Andrew Mackenzie, a Licensed Insolvency Practitioner of Begbies
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	<p>Traynor (Central) LLP, Unit 8B, Marina Court, Castle Street, Hull, HU1 1TJ and Julian Pitts, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ</p>
Date of administrators' appointment:	10 October 2017
Date of administrators' resignation:	N/A
Court:	High Court of Justice, Chancery Division, Birmingham District Registry
Court Case Number:	8253 of 2017
Person(s) making appointment / application:	The director
Acts of the administrators:	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EC Regulation on Insolvency Proceedings:	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No. 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.
Extensions of the administration period	There have been no previous extensions to the administration period.

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 10 October 2017 to 09 April 2018 and the following should be read in conjunction with our statement of proposals dated 05 December 2017.

Receipts

Goodwill, Business Information and Intellectual Property ("Goodwill")

The value of the Goodwill was uncertain and no realisations have been made from this source.

Book Debts Paid to Santander UK Plc

Upon appointment the debtor ledger had a book value of £529,277 which was subject to a fixed charge from Santander UK Plc.

The administrators have sold certain debtors to a connected company, Interdoor Limited, for £212,881. The receipt of these funds has been paid directly to Santander UK Plc in respect of their fixed charge.

Book Debts

Debt recovery specialists, BTG Advisory ("BTGA") have been instructed to assist with the remaining debtor collections.

The administrators can confirm that to date, the sum of £49,839 has been received in respect of the outstanding debtors and BTGA continue to collect the outstanding ledger.

The fixed charge holder also holds circa £24,000.

Retentions

The Company had retentions which have a book value of £46,119 and debt recovery specialists, BTGA, were instructed to assist with these collections.

The administrators can confirm that to date, £2,262 has been received in this respect and BTGA continue to collect the outstanding retentions as and when they fall due.

Fire Test Reports

A sale was agreed by the administrators in the sum of £50,101 for the purchase of the Fire Test Reports to a third party and the administrators can confirm that this has been received in full. No further realisations will be made from this source.

Stock, Furniture & Equipment, Plant & Machinery

Agents, Sanderson Weatherall were instructed to value and sell the Company's stock, furniture and equipment and plant and machinery. Sanderson Weatherall conducted an online auction which realised £12,377.

A connected company, Interdoor Limited, purchased some stock & equipment from the Company for the sum of £10,000. The administrators can confirm payment has been received.

No further realisations are to be made from this source.

Utilities and Security Contribution to Costs

A connected company, Interdoor Limited, continued to trade from the Company's trading premises for a period of 10 weeks and it was agreed that utilities and other costs would be paid by the connected company for their period in occupation, £1,706 has been received in this regard.

Leasehold Property – Licence Fee

A licence fee in the sum of £1,000 was paid to the Company by a connected company, Interdoor Limited, who used the Company's premises to trade from after the date of Administration.

Leasehold Property – Rent & Rates

Interdoor Limited have paid £17,388 in this regard.

Bank Interest Gross

Bank Interest in the sum of £11 has been received.

Payments

Agents/Valuers Fees

Chattel asset agents, Sanderson Weatherall, have been paid £9,619 in respect of their advice, valuation and assistance with the sale of the Company's fire test certificates, stock, furniture and equipment and plant and machinery.

IT Consultants

£625 has been paid to IT Consultants, Virtual Networking, for their assistance with backing up the Company's server and software system and destroying all of the Company's hard drives.

Statutory Advertising

Courts Advertising Limited have been paid £85 in respect of placing the statutory notice of the appointment of Joint Administrators in the London Gazette.

Insurance of Assets

£821 has been paid to Eddisons Insurance Services Ltd for the insurance of the Company's assets. Eddisons are an associated Company of Begbies Traynor and their fees were approved by the secured creditor on 08 December 2017; further disclosure is included at appendix 2 of this report.

Rents Payable

£11,593 has been paid to the landlord in relation to the rent due for the connected company's period of occupation at the Company's trading premises.

Property Security Costs

£144 has been paid to Scamp Security for their security services provided in respect of the Company's trading premises.

Property Utility Costs

£201 has been paid to Yorkshire Water for the water supply to the Company's trading premises and Dual Energy have been paid £1,427 for the supply of gas and electricity. We are still agreeing property costs including rates.

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

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

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

General case administration and planning

Strategy realisations including planning and file reviews, filing notices, sending general correspondence, collecting and preparing an inventory of the Company's books and records, completing checklists, filing and updating the diary.

Compliance with the Insolvency Act, Rules and best practice

Preparing and reviewing appointment documents, bank reconciliations and other cashiering functions, the Insolvency Act and Rules require IPs to (1) produce progress reports (2) ensure that the case is adequately bonded and (3) file information with the Registrar of Companies.

Investigations

In an administration we are required to report to the Secretary of State on the conduct of the directors of the Board and any person they consider to be or have been a shadow or de facto director during the period of three years before the date of their appointment, in relation to their management of the affairs of the Company and the causes of its failure.

In all insolvency procedures the administrators undertake investigations to determine whether there are claims that can be pursued in relation to transactions which have had the effect of diminishing the entity's assets.

We have spoken with all directors to discuss the failure of the Company and we are also considering other claims that the company might have which, if pursued, would result in a recovery for the estate.

A thorough review of the Company's records and bank statements has been completed and the administrators have submitted their report to the Department for Business, Energy and Industrial Strategy.

Investigations into the alleged transfer of certain of the Company's contracts to a connected company pre administration for no consideration have been conducted and the administrators have instructed solicitors to take the necessary legal action in this regard.

Realisation of assets

Liaising with agents, legal advisors and negotiating with purchasers regarding the sale of the Company's chattel assets, stock and fire test reports.

Corresponding with potential purchasers of the Company's goodwill.

Sale of certain debtors and liaising with legal advisors in respect of this sale.

Pursuing the remaining debtor and retention collections, with the assistance of BTGA.

Liaising with legal advisors regarding the recovery of a debt owed to the Company in the sum of £1.2m from a connected company.

Correspondence with connected companies in respect of alleged claims made against them.

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

Filing claims and dealing with creditor queries. Dealing with employee queries. Filing the RP14 and RP14a with the Redundancy Payments Office.

Agreeing the rental costs with the landlord for the Company's trading premises.

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

Liaising with HM Revenue and Customs and reviewing the final VAT returns, a terminal loss relief claim and a corporation tax refunds.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our statement of proposals dated 05 December 2017.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows:

Secured creditors

On 07 October 2011, the Company granted Santander UK Plc a fixed and floating charge. The balance outstanding to them at the date of appointment was £284,759.

Based on the current realisations and estimated future realisations, it is unlikely that Santander UK Plc will be paid in full under its security.

The Company granted a second fixed and floating charge to Finance Yorkshire Equity LP acting by its General Partner Finance Yorkshire Gp Limited ("FY") on 11 September 2015.

It is unlikely that FY will receive a dividend under its fixed and floating charge.

Preferential creditors

Based upon realisations to date and estimated future realisations, it is unlikely that there will be sufficient funds for the preferential creditors to be paid in full.

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

Details of how the prescribed part for unsecured creditors is calculated were provided in our statement of proposals.

We have estimated, to the best of our knowledge and belief, the Company's net property, as defined in Section 176A(6) of the Act, to be £90,302 and the prescribed part of the Company's net property to be £21,060 before costs.

Unsecured creditors

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

Effect of administration on limitation periods under the Limitation Act 1980

As we have previously confirmed, the Limitation Act 1980 continues to apply to all debts due from the Company. Case law indicates that where a company is in administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Company becoming time-barred during the course of the administration, we strongly recommend that you seek independent legal advice on the options available to you to prevent this.

6. PRE-ADMINISTRATION COSTS

On 08 December 2017 the following amounts in respect of unpaid pre-administration costs were approved by the secured creditor:

Description	Name of recipient	Net amount £	VAT £	Gross amount £
Our fees in relation to the Work	Begbies Traynor (Central) LL	18,995	3,799	22,794
Legal costs	Shoosmiths	6,945.50	1,389.10	8,334.60
Agents costs	Sanderson Weatherall	1,000	200	1,200
TOTAL PRE-ADMINISTRATION COSTS		26,940.50	5,388.10	32,328.60

7. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by the secured creditor on 08 December 2017, as a set amount of £75,000. We are also authorised to draw 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.

Our time costs for the period from 10 October 2017 to 09 April 2018 amount to £94,624 which represents 402 hours at an average rate of £235 per hour.

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

- ☐ Begbies Traynor (Central) LLP's charging policy
- ☐ Time Costs Analysis for the period 10 October 2017 to 09 April 2018

To 09 April 2018, we have not drawn any fees on account of our remuneration, against total time costs of £94,624 incurred since the date of our appointment.

Time Costs Analysis

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

As this is our first progress report since the basis of our remuneration was fixed, we are obliged to provide creditors with details of the costs incurred in the period since appointment and a description of the work undertaken for the period since our appointment.

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.

In light of the above, we are obliged to provide the secured creditor with details of the additional work that we propose to undertake along with details of the time and cost of that additional work and to seek approval of our increased estimate from them. This is provided in Appendix 2 of this report.

Disbursements

To 09 April 2018, we have not drawn any disbursements.

Category 2 Disbursements

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been incurred during the period of this report in accordance with the approval obtained are as follows:

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Mileage	180.45
TOTAL	180.45

Disbursements treated as Category 2 disbursements

Other amounts paid or payable to any party in which the office holder or his firm or any ass has an interest	
Type and purpose	Amount £
BTG Advisory which is a member of the Begbies Traynor group, has provided services in respect of their assistance with the debt collection.	TBC
Eddisons Insurance Services Ltd, which is a member of the Begbies Traynor group, has provided insurance brokerage services, having arranged open cover insurance in relation to the Company's assets.	820.96
TOTAL	820.96

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. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

8. ADMINISTRATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3.

Expenses actually incurred compared to those that were anticipated

Creditors will recall that we estimated that the expenses of the administration would total £76,455. That estimate as a whole has not been exceeded however some items of expenditure have exceeded their specific estimate.

It should be noted that the Property Expenses including rent, rates and utilities have been paid for by a connected company who occupied the trading premises after the appointment of administrators and in this regard we do not expect the expenses estimate as a whole to be exceeded if matters progress to conclusion as envisaged.

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

Assets that remain to be realised

Book Debts

BTGA have been collecting the book debts and to date, the administrators can confirm that the sum of £49,839 has been received and BTGA are continuing to collect the outstanding ledger.

Retentions

BTGA have been instructed to collect the retentions and to date, the administrators can confirm that the sum of £2,262 has been received and BTGA continue to collect the outstanding retentions as and when they fall due.

Connected Party Claims

Following the joint administrators' investigations, there is an alleged claim against a connected company for the transfer of certain of the Company's contracts for no consideration pre administration. The joint administrators have instructed legal advisors to assist them in pursuing these claims.

Connected Company Debtor

There is a connected company debtor with a book value of £1.2m and legal advisors, Shoosmiths, have been instructed to pursue the debt.

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

Planning and file reviews, filing notices, sending general correspondence, completing checklists, filing and updating the diary.

Compliance with the Insolvency Act, Rules and best practice

Bank reconciliations and other cashing functions, the Insolvency Act and Rules require IPs to (1) produce reports (2) produce a final report (3) file information with the Registrar of Companies and (4) ensure that the case is adequately bonded.

Realisation of assets

Continuing to liaise with debt collection agents regarding the outstanding debtors and retentions.

Corresponding with legal advisors regarding the ongoing alleged claims against connected parties.

Investigations

Corresponding with legal advisors regarding the ongoing alleged claims against connected parties.

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

Dealing with employee queries.

Filing claims and dealing with creditor queries.

Agreeing and paying a dividend to the fixed chargeholder.

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

Liaising with HM Revenue and Customs and the Company's accountants in respect of final returns and any other tax matters.

How much will this further work cost?

Although our time costs have exceeded the fixed fee amount, at this stage we do not propose to increase the fixed fee amount with the secured creditor.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the revised estimate of anticipated expenses attached at Appendix3.

10. 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 directors. We have complied with our duties in this respect.

Investigations completed and action being taken

As explained in our Statement of Proposals, we have undertaken an initial assessment of the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect.

We have instructed solicitors, Shoosmiths, to deal with the alleged claims against the connected parties.

Connected party transactions

In accordance with Statement of Insolvency Practice 13, we are obliged to inform creditors of any sale of the Company's business or assets which involves a party connected to the Company. We confirm that the following assets were sold:

Date of sale	Asset sold and nature of transaction	Consideration owed and paid	Name of Purchaser	Relationship with the Company
08 December 2017	Stock, Furniture & Equipment, Plant & Machinery	£10,000	Interdoor Limited	Connected director and shareholders
20 October 2017	Certain Debtors	£212,881	Interdoor Limited	Connected director and shareholders

Proposed exit route from administration

The proposed exit route is still in line with the administrators' proposals distributed to creditors on 05 December 2017.

11. CREDITORS' RIGHTS

Right to request further information

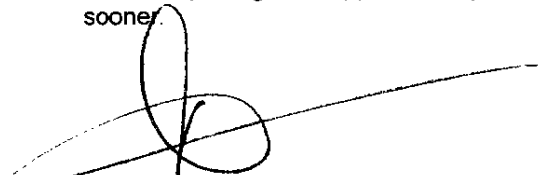
Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, 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 during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

12. CONCLUSION

We will report again in approximately six months time or at the conclusion of the administration, whichever is the sooner.



A G Mackenzie
Joint Administrator

Dated: 04 May 2018

APPENDIX 1

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 10 October 2017 to 09 April 2018

LHY Developments Limited (formerly Envirodoor Limited)
(In Administration)

Joint Administrators' Summary of Receipts and Payments

RECEIPTS	From 10/10/2017 To 05/12/2017 (£)	From 06/12/2017 To 09/04/2018 (£)	Total (£)
Goodwill, Business Information & Intellectual Property	-	-	-
Book Debts	23,752.58	26,085.93	49,838.51
Retentions	337.77	1,924.61	2,262.38
Fire Test Reports	-	50,101.00	50,101.00
Stock, Furniture & Equipment, Plant & Machinery	-	22,377.32	22,377.32
Utilities & Security Contribution to Costs	-	1,706.19	1,706.19
Leasehold Property - Licence Fee	-	1,000.00	1,000.00
Leasehold Property - Rent & Rates	-	17,387.99	17,387.99
Bank Interest Gross	0.59	10.46	11.05
	24,090.94	120,593.50	144,684.44
PAYMENTS			
Agents/Valuers Fees	-	9,618.67	9,618.67
IT Consultants	-	625.33	625.33
Statutory Advertising	-	84.60	84.60
Insurance of Assets	-	820.96	820.96
Rents Payable	-	11,593.38	11,593.38
Property Security Costs	-	144.00	144.00
Property Utility Costs	-	1,628.71	1,628.71
	-	24,515.65	24,515.65
Net Receipts/(Payments)	24,090.94	96,077.85	120,168.79

TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP's charging policy; and
- b. Time Costs Analysis for the period from 10 October 2017 to 09 April 2018.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

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

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

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

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

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

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

Best practice guidance classifies expenses into two broad categories:

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.

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

- *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.

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;

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

² Ibid 1

- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates;

Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the 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):

Instruction of Eddisons Commercial Limited to provide valuation appraisal advice in relation to the Company's premises, plant and machinery, office furniture and equipment and to appraise the finance agreements of the motor vehicles. Their charges 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

RemoteZone, a trading style of Eddisons Commercial Limited, are also instructed to provide and arrange security to the various sites throughout the UK. Their charges for providing these services will be £17 per hour.

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 set out above.

Instruction of Eddisons Insurance Services Limited to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The costs of insurance cover for will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case. Eddisons Insurance Services Limited is not paid from the assets of the estate for the services it provides. In accordance with standard insurance industry practice, Eddisons Insurance Services Limited will receive payment of commission for the services it provides directly from the open cover insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

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.

Professional Advisors

In a number of cases, we have the need to employ outside professional advisors, which may include Solicitors, Valuers and Agents or in some cases, Specialist Tax Advisors. We set out below the name and type of the advisors used and the basis on which their fees are paid.

Name of Professional Advisor	Basis of Fee Arrangement
Shoosmiths	Time Costs
Eddisons Insurance Services Ltd	Fixed Fee
BTG Advisory	Percentage
Sanderson Weatherall	Fixed Fee

Our choice of the above advisor is based on our knowledge of their experience and their ability to perform the type of work on which they have been instructed.

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)
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	60 - 110

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

Time is recorded in 6 minute units.

[illegible]

STATEMENT OF ADMINISTRATORS' 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				
Agents/Valuers Fees	Sanderson Weatherall	9,618.67	9,618.67	Nil
IT Consultants	Virtual Networking	625.33	625.33	Nil
Rents Payable	Essential Estates Ltd	11,593.38	11,593.38	Nil
Statutory Advertising	Courts Advertising Ltd	84.60	84.60	Nil
Storage	Restore Plc	98.60	Nil	98.60
Bond	Marsh Limited	320.00	Nil	320.00
Utility Costs	Yorkshire Water	201.45	201.45	Nil
Utility Costs	Dual Energy	1,427.26	1,427.26	Nil
Rates	Council			
Property Security Costs	Scamp Security	144.00	144.00	Nil
Courier Costs	Mail Box Express	26.59	Nil	26.59
Expenses incurred with entities within the Begbies Traynor Group <i>(for further details see Begbies Traynor Charging Policy)</i>				
Insurance of Assets	Eddisons Insurance Services Ltd	820.96	820.96	Nil
Debt Collection Fees	BTG Advisory	TBC	Nil	TBC
Travel Costs	Mileage	180.45	Nil	180.45

REVISED ESTIMATE OF EXPENSES

	Type of expense	Description	Estimate £
1.	Advertisements	Of appointment	84.60
2.	Bond	An Insolvency Practitioner is required to have a bond in place to protect the estate from misappropriation of funds	320.00
3.	Insurance	An Insolvency Practitioner is required to ensure that there is sufficient insurance cover over the assets of the insolvent entity	820.96
4.	Storage costs	An Insolvency Practitioner is required to retain relevant books and records of the insolvent entity in order to carry out his/her duties as office holder. In addition, following case closure the Insolvency Practitioner will retain his/her working papers to allow any queries or issues raised to be dealt with.	500.00
5.	Chattel asset agents fees and disbursements	The proposed fees in respect of marketing the assets for sale.	9,618.67
6.	Legal fees and disbursements	The fees of any solicitors and/or barristers instructed to assist the Insolvency Practitioner and their anticipated disbursements	35,000.00
7.	Accountancy Fees	Review of the Company's previous accounts	2,400.00
8.	Debt collection fees and disbursements	The fees of any third party instructed by the Insolvency Practitioner to assist with the collection of the debts of the insolvent entity and their anticipated disbursements	15,000.00
9.	Bank charges	An Insolvency Practitioner is required to operate a separate bank account in relation to the insolvent entity's estate	100.00
10.	Investigation expenses	Any sums paid to any third party that assists the Insolvency Practitioner with investigating the affairs of the insolvent entity	Nil – 10,000.00
11.	Travel	Travel to and from the Company's trading premises.	Nil - 500.00
12.	Room hire	For requisitioned physical meetings of creditors, meetings with the directors or debtor etc.	300.00
13.	Property Expenses	Rent, business rates and utilities of the trading premises during the Administrators occupation.	15,392.68

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 Baxter**

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

Address **Unit 8B**

Marina Court

Post town **Castle Street**

County/Region **Hull**

Postcode **H U 1 1 T J**

Country

DX

Telephone **01482 483060**



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