

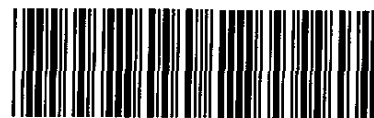
WU07

Notice of progress report in a winding-up by the court



Companies House

SATURDAY



A13 *A7HHGM1L* #156
27/10/2018
COMPANIES HOUSE

1 Company details

Company number 0 2 8 8 8 5 1 6

Company name in full Acquisition 395448370 Limited
(formerly AGTC Bio Products Limited)

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

2 Liquidator's name

Full forename(s) Andrew

Surname Mackenzie

3 Liquidator's address

Building name/number Unit 8B Marina Court

Street

Post town Castle Street

County/Region Hull

Postcode H U 1 1 T J

Country

4 Liquidator's name

Full forename(s) Julian

Surname Pitts

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

5 Liquidator'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

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

WU07

Notice of progress report in a winding-up by the court

6 Period of progress report

From date	d	3	d	1	m	0	m	8	y	2	y	0	y	1	y	7
To date	d	3	d	0	m	0	m	8	y	2	y	0	y	1	y	8

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date	d	2	d	6	m	1	m	0	y	2	y	0	y	1	y	8
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**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

Important Notice

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

Contents

- ❑ Interpretation
- ❑ Company information
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- ❑ Liquidators' expenses
- ❑ Assets that remain to be realised and work that remains to be done
- ❑ Other relevant information
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- ❑ Appendices
 - 1. Account of receipts and payments
 - 2. Time costs and disbursements
 - 3. Statement of Liquidators' expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Acquisition 395448370 Limited (formerly AGTC Bio Products Limited) (In Compulsory Liquidation)
"the liquidation"	The appointment of liquidators by the Secretary of State pursuant to Section 137 of the Act.
"the liquidators", "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 Act

2. COMPANY INFORMATION

Previous name:	AGTC Bio Products Limited
Trading name:	National Diagnostics
Company registered number:	02888516
Company registered office:	Unit 8B, Marina Court, Castle Street, Hull, HU1 1TJ
Former trading address:	Unit 4 Fleet Business Park, Itings Lane, Hessle, E.Yorkshire, HU13 9LX

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date of winding up order:	13 June 2017
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Date of liquidators' appointment: 31 August 2017

Changes in liquidator (if any): None

4. PROGRESS DURING THE PERIOD COVERED BY THIS REPORT

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 31 August 2018 to 30 August 2017 which includes a comparison with the statement of affairs submitted by the directors to the Official Receiver.

Receipts

Chattel Assets

Connected company, Cambridge Reagents Ltd, purchased the Company's chattel assets prior to our appointment for £1,400 which has been received by the joint liquidators upon their appointment.

Book Debts

The directors advised the Secretary of State that the Company's outstanding debtor ledger totalled £77,043 at the date of winding up. The joint liquidators are currently pursuing these debts and £14,053 has been realised to date however the directors have failed to provide the liquidators with the relevant backing documentation for these debts and subsequently customers are refusing to pay. Some of these debts have been written off as they are uneconomic to pursue. We continue to pursue the directors. There is also a debt due from a connected US Company but again, the directors have failed to provide the information.

Cash at Bank

Upon appointment, the duly appointed liquidators collected the credit balance of the Company's bank account and £2,427 has been realised in this regard.

Rates Refund

£336 has been received in respect of a rates refund.

Petitioners Deposit

£1,600 was paid to the Court by the petitioning creditor. This has subsequently been forwarded to The Insolvency Service account held by the liquidators.

Payments

Official Receiver's Disbursements

The amount of £47 paid to the Official Receiver ("the OR") represents the disbursements incurred by the OR prior to our appointment.

Official Receiver's Remuneration

The amount of £5,000 paid to the Official Receiver ("the OR") represents the fee charged by the OR prior to our appointment.

DBIS Audit Fees

£110 has been discharged in costs relating to the audit fees of the Insolvency Service Accounts.

DBIS Cheque Fees

£1 has been paid in relation to the audit fees of the Insolvency Service Accounts.

Secretary of State Fees

The sum of £6,000 represents the fees retained to date by the Secretary of State on the chargeable receipts received into the estate.

Liquidators' Expenses

The liquidators have drawn £107 in relation to their disbursements incurred, namely for the liquidators' bond, the storage of the Company's books and records and Companies House documentation fees.

Agents/Valuers Fees

Chattel asset agents, CW Harrison, have been paid £592 for their assistance with the sale of the Company's tangible assets as arranged by the OR.

Legal Disbursements

£175 has been paid to Gosschalks Solicitors in relation to legal disbursements incurred.

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

It is necessary for the duly appointed Liquidators and their staff to carry out regular reviews of the case and how the case has been administered. This includes six monthly reviews, reviews of the assets realised in the case and still to be realised and the costs and expenses being incurred and also sending general correspondence, completing checklists, filing and updating the diary. These are required in order to ensure that the case is cost effective and is being administered both properly and efficiently.

It is the Joint Liquidators' duty to maintain records to demonstrate how the case has been administered and to document our reasoning for any decisions made that may materially affect the case. As such, time has been charged in discharging these duties.

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 a progress report (2) produce a final report (3) file information with the Registrar of Companies (4) ensure that the case is adequately bonded.

Investigations

A liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. This includes meetings, correspondence with solicitors and corresponding with the director and his representatives regarding various matters. This includes an analysis of the Company's bank and sage records and it also includes correspondence with solicitors and the directors solicitors to establish the outstanding directors' loan accounts. We have also corresponded with the OR regarding the conduct of the business prior to it entering liquidation.

Realisation of assets

This includes the work involved in the recovery of the directors' overdrawn loan accounts owed to the Company and the outstanding debtor ledger. It also includes ongoing correspondence with agents regarding the sale of the Company's chattel assets and realising the rates refund due to the Company.

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

Dealing with creditor queries and filing claims.

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

Complying with tax matters and liaising with HM Revenue and Customs. Obtaining a decision from creditor by way of a decision procedure. Disclaiming the lease of the Property and correspondence regarding chemical waste.

5. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (based upon the information detailed in the statement of affairs submitted by the directors to the Official Receiver) are as follows:

Secured creditor

There are no known secured creditors.

Preferential creditors

There are no known preferential claims.

Unsecured creditors

Unsecured creditors were estimated at £607,346.

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 creditor

There are no known secured creditors.

Preferential creditors

There are no known preferential claims.

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

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property;
- ☐ 20% of net property thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the prescribed part of net property if:

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

Unsecured creditors

Based upon realisations to date and estimated future realisations it is anticipated there may be insufficient funds available to enable a dividend to be paid to the unsecured creditors, this is dependant on debtor and loan realisations.

6. REMUNERATION & DISBURSEMENTS

Remuneration

Our remuneration has been fixed by creditors by way of a resolution by correspondence by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the winding up in the sum of £48,618.

Our time costs for the period from 31 August 2017 to 30 August 2018 amount to £26,514 which represents 118.3 hours at an average rate of £224 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 31 August 2017 to 30 August 2018

To 30 August 2018, we have not drawn any fees on account of our remuneration, against total time costs of £26,514 incurred since the date of our appointment.

Time Costs Analysis

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case, and gives the total costs and average hourly rate charged for each work type.

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

As 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, our estimate has not been exceeded. We are pleased to report that we do not anticipate that it is likely to be exceeded if matters progress to conclusion as envisaged.

Disbursements

To 30 August 2018, we have also drawn disbursements in the sum of £107.

Category 2 Disbursements

No Category 2 disbursements or disbursements which should be treated as Category 2 disbursements have been incurred since the date of our appointment.

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

7. LIQUIDATORS' EXPENSES

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

Expenses actually incurred compared to those that were anticipated

Creditors will recall that we estimated that the expenses of the liquidation would total £24,574. That estimate has not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged unless legal proceedings are required to collect the debts, see below in section 8.

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

Assets that remain to be realised

Book Debts

The book debt collection is ongoing and the administrators' continue to pursue the outstanding debts. Some of the debts have been written off as they are uneconomic to pursue and a large amount of the debts are currently waiting on backing documentation which the directors are failing to provide. It may be necessary to instruct legal agents/debt collection advisors to assist in this regard.

Directors' Loan Account

There are overdrawn directors' loan accounts which are due to the Company and are currently being pursued by the liquidators' solicitors.

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

Strategy of realisations including case 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

Preparing and reviewing appointment documents, bank reconciliations and other cashiering functions, the Insolvency Act and Rules require IPs to (1) produce a progress report (3) produce a final report (3) file information with the Registrar of Companies (4) ensure that the case is adequately bonded.

Investigations

Further meetings and correspondence with solicitors, counsel, the directors and the OR.

Realisation of assets

This includes the work involved in the recovery of the directors' overdrawn loan accounts owed to the Company and the outstanding debtor ledger.

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

Corresponding with HM Revenue and Customs and dealing with any final tax matters.

How much will this further work cost?

It is anticipated that the further work required above will be in line with the estimate which was approved by creditors on 27 September 2017.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the estimate of anticipated expenses sent to creditors on 11 September 2017 which included all of the expenses that we anticipate that we will incur throughout the liquidation.

9. OTHER RELEVANT INFORMATION

Investigations

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. We can confirm that we have discharged our duties in these respects. The OR reports on directors conduct.

Connected party transactions

We have not been made aware of any sales of the Company's assets to connected parties, other than those disclosed.

Use of personal information

Please note that in the course of discharging our statutory duties as liquidators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

10. CREDITORS' RIGHTS

Right to request further information

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

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, in relation to the basis fixed for our remuneration, inappropriate.

11. CONCLUSION

We are required to seek the approval of creditors to our further fees estimate. We intend to seek the decision in relation to our further fee estimate via a Decision Procedure by correspondence and a notice providing further information about the decisions being sought has been sent to creditors.

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



A G Mackenzie
Joint Liquidator

Dated: 26 October 2018

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 31 August 2017 to 30 August 2018

Acquisition 395448370 Limited (formerly AGTC Bio Products Limited)
(In Liquidation)

Income and Expenditure Account
31 August 2017 to 25 October 2018

INCOME	Total (£)
Chattel Assets	1,400.00
Book Debts	14,052.80
Cash at Bank	2,427.22
Rates Refund	336.00
Petitioners Deposit	1,600.00
	<hr/>
	19,816.02
	<hr/>
EXPENDITURE	
O.R. Disbursements	47.05
O.R. Remuneration	5,000.00
DBIS Audit Fees	110.00
DBIS Cheque Fees	1.40
Secretary of State Fees	6,000.00
Liquidators' Expenses	107.48
Agents/Valuers Fees	591.61
Legal Disbursements	174.86
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	12,032.40
	<hr/>
Balance	7,783.62
	<hr/>
MADE UP AS FOLLOWS	
ISA (Interest Bearing)	7,783.62
	<hr/>
	7,783.62
	<hr/>

TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP's charging policy; and
- b. Time Costs Analysis for the period from 31 August 2017 to 30 August 2018.

Staff Grade	Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	3.6						1.2		5.5	1,650.50	300.09
	Administration			10.1			0.9	27.0	1.0	39.0	5,878.00	150.72
	Total for General Case Administration and Planning:	3.6		10.1			0.9	28.2	1.0	44.5	7,528.50	169.18
Compliance with the Insolvency Act, Rules and best practice	Appointment							4.1		4.1	451.00	110.00
	Banking and Bonding							0.3	2.7	3.4	488.00	143.53
	Case Closure											0.00
Investigations	Statutory reporting and statement of affairs											0.00
	Total for Compliance with the Insolvency Act, Rules and best practice:	0.4						4.4	2.7	7.5	939.00	125.20
	CDDA and investigations	11.1		15.7			1.1	2.8		40.1	12,244.50	305.35
Realisation of assets	Total for investigations:	11.1		15.7			1.1	2.8		40.1	12,244.50	305.35
	Debt collection	5.2		5.7				11.7		24.3	5,438.00	223.79
	Property, business and asset sales			1.0						1.0	265.00	265.00
Trading	Retention of Title/Third party assets											0.00
	Total for Realisation of assets:	1.7		6.7				11.7		26.3	6,703.00	225.42
	Trading											0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Total for Trading:											0.00
	Secured											0.00
	Others							0.5		0.5	55.00	110.00
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel	Creditors committee											0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:							0.5		0.5	55.00	110.00
	Seeking decisions of creditors											0.00
	Meetings											0.00
	Other							0.2		0.2	22.00	110.00
	Tax								0.2	0.2	22.00	110.00
	Litigation											0.00
	Total for Other matters:							0.2	0.2	0.4	44.00	110.00
	Total hours by staff grade:	17.4		32.5			2.0	47.8	3.9	118.3		
	Total time cost by staff grade:	6,873.00		8,612.50			270.00	5,258.00	429.00		26,514.00	
	Average hourly rate £:	395.00		265.00		0.00	135.00	110.00	110.00			224.13
	Total fees drawn to date £:										0.00	

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
CW Harrison	Fixed Fee/Time Costs
Gosschalks Solicitors	Time Costs
Shorthand Writer	Time Costs

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.

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Agent's fees	CW Harrison	591.61	591.61	Nil
Legal fees	Gosschalks Solicitors	TBC	Nil	TBC
Legal disbursements	Gosschalks Solicitors	129.00	129.00	Nil
Storage	Restore Plc	57.12	24.48	32.64
Bond	Marsh Limited	80.00	80.00	Nil
Companies House Fees	Companies House	3.00	3.00	Nil