

The Insolvency Act 1986

Administrator's progress report

Name of Company
Fenhams Limited

Company number
06500512

In the
High Court of Justice Newcastle upon Tyne
District Registry

[full name of court]

Court case number
0179 of 2012

(a) Insert full name(s) and
address(es) of the
administrator(s)

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

Administrators of the above company attach a progress report for the period

from


to

(b) Insert dates

(b) 17 February 2013

(b) 13 August 2013

Signed


Former Joint Administrator

Dated

4 September 2013

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record

Begbies Traynor (Central) LLP

2 Collingwood Street, Newcastle upon Tyne, NE1 1JF,

Tel Number 0191 2699820

Fax Number 0191 2699821

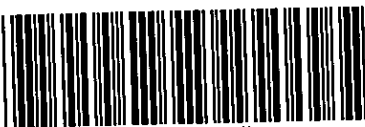
DX Number

When you have completed and signed this form please send it to the Registrar of Companies at

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

THURSDAY



A2GACOEY

A38

05/09/2013

#84

COMPANIES HOUSE

Gerald Maurice Krasner and Andrew David Haslam appointed Joint Administrators on 17 February 2012

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as the Company's agents and without personal liability

Fenhams Limited (In Administration)

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

Period: 17 February 2013 to 13 August 2013

Contents

- Interpretation
- Statutory information
- Details of appointment of the Joint Administrators
- Progress during the period
- Outcome for creditors
- The Joint Administrators' Proposals
- Summary of steps taken during the Administration
- The Joint Administrators' remuneration and disbursements
- The Joint Administrators' expenses
- Creditors' rights
- Assets that remain to be realised
- Other relevant information
- Conclusion
- Appendices
 - 1 The Joint Administrators' account of receipts and payments
 - 2 Summary of the Joint Administrators' Proposals
 - 3 The Joint Administrators' time costs and disbursements
 - 4 Statement of the Joint Administrators' expenses

Important Notice

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

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Fenhams Limited (In Administration)
"the Administration"	The appointment of Administrators under Schedule B1 of the Insolvency Act 1986 on 17 February 2012
"the Administrators", "we", "our", "us"	Gerald Maurice Krasner and Andrew David Haslam of Begbies Traynor (Central) LLP, 2 Collingwood Street, Newcastle upon Tyne, NE1 1JF
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	"Secured creditor", in relation to a company, means a creditor of the Company who holds in respect of his debt a security over property of the Company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(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 of the Act

2. STATUTORY INFORMATION

Name of Company	Fenhams Limited
Trading name	N/A
Date of Incorporation	11 February 2008
Company registered number	06500512
Company registered office	Begbies Traynor (Central) LLP, 2 Collingwood Street, Newcastle upon Tyne, NE1 1JF

3. DETAILS OF APPOINTMENT OF THE JOINT ADMINISTRATORS

Names of Administrators	Gerald Maunce Krasner and Andrew David Haslam, Licensed Insolvency Practitioners of Begbies Traynor (Central) LLP, 2 Collingwood Street, Newcastle upon Tyne, NE1 1JF
Date of appointment	17 February 2012
Date of resignation	N/A
Court	High Court of Justice Newcastle upon Tyne District Registry
Court Case Number	0179 of 2012
Person making appointment / application	Paul Richardson - 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	The Administration was extended with the consent of creditors for a period of 6 months until 16 August 2013

4. PROGRESS DURING THE PERIOD

During the period covered by this progress report the Joint Administrators have continued their investigations into the manner in which the Company's business was conducted prior to their appointment No further details are provided in order that any potential future actions in this regard are not prejudiced

The Joint Administrators have now moved the Company from Administration into Creditors Voluntary Liquidation, in line with the proposed exit route in the Joint Administrators' Proposals It is unlikely that there will be a dividend available to pay to creditors in the Liquidation, however a Liquidation provides the Joint Liquidators with additional recovery actions, which may be necessary as their investigations progress

Attached at Appendix 1 is our abstract of receipts and payments for the period from 17 February 2013 to 13 August 2013

RECEIPTS

There were no receipts in the period covered by this progress report

PAYMENTS

Legal Fees – Ward Hadaway Solicitors

Ward Hadaway Solicitors has been remunerated on a time cost basis. During this reporting period £1,500.00 plus VAT has been paid on account in respect of assistance with the Joint Administrators' investigations.

5. OUTCOME FOR CREDITORS

Secured Creditor

Lloyds TSB Bank plc ("the Bank")

As detailed in the Joint Administrators' Progress Report dated 12 September 2012 the Bank is due £336,566.61 under a Debenture created on 23 August 2010.

There have been insufficient funds realised to make a distribution to the Bank to date. At present it appears that future realisations in the Liquidation will not be sufficient to allow any distribution to be made, although this is dependant on the outcome of the Joint Liquidators' investigations.

Lloyds TSB Commercial Finance Limited ("LCF")

As detailed in the Joint Administrators' Progress Report dated 12 September 2012 LCF is due £701,792.84 in respect of factored book debts.

LCF has collected £91,037.45 in respect of factored book debts, with no further realisations anticipated. LCF has suffered a shortfall.

Preferential Creditors

There have been insufficient realisations to pay a dividend to the preferential creditors.

Prescribed Part for Unsecured Non-preferential 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.

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 £nil and the prescribed part of the Company's net property to be £nil.

The Company is to exit from Administration into Creditors' Voluntary Liquidation in accordance with the Proposals approved by creditors and, should any funds become available under the prescribed part, the subsequently appointed Liquidators will make a distribution.

Unsecured Non-preferential Creditors

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

Exit from Administration

As creditors are already aware from previous correspondence dated 7 August 2013, we have filed the Notice of move from Administration to Creditors' Voluntary Liquidation (Form 2.34B) with the Registrar of Companies. The Notice was registered by the Registrar on 13 August 2013 and consequently the Company is in Creditors' Voluntary Liquidation with effect from the date of registration in accordance with Paragraph 83(6) of Schedule B1 to the Act with the former Joint Administrators acting in the capacity as Joint Liquidators of the Company.

6. THE JOINT ADMINISTRATORS' PROPOSALS

Attached at Appendix 2 is a summary of our Proposals deemed approved under Rule 2.33(5) of the Rules in the absence of an initial meeting of creditors

7. SUMMARY OF STEPS TAKEN DURING THE ADMINISTRATION

On 17 February 2012 the Director filed a Notice to Appoint Administrators

BTG Corporate Finance, a member of the Begbies Traynor Group, confidentially marketed the Company for sale prior to the Joint Administrators' appointment in February 2012. The main assets of the Company were contractual debtors and to maximise returns to creditors and reduce likely counter claims, a sale as a going concern would have been the optimal solution. However it became apparent that there was no interest in the market place for such a sale.

Fenham Contracts Limited, a Company controlled by Paul Richardson ("the Director") had made an offer for the Company's plant and machinery, stock and rights to the Company's IP. As the value of stock, plant and machinery would be eroded by storage costs, removal costs and auction costs, agent's advice was to accept the offer put forward by Fenham Contracts Limited immediately in order to maximise the return for the Company.

The assets were sold as part of a pre-packaged sale for £30,000.00 plus VAT. The payment was received on 6 March 2012.

The Joint Administrators' staff attended the trading premises in Newcastle upon Tyne to undertake a review of the Company's trading activities and obtain relevant Company books and records. Two members of the Company's staff were retained to assist the Joint Administrators to finalise the Company's records and collect information required to progress the Administration.

As detailed within Section 4 of this report the debtor ledger is subject to an invoice discounting agreement in favour of LCF. Following discussions with LCF, Acasta Consulting were instructed to assist in the debtor recovery exercise. The Joint Administrators' staff attended the Company premises to meet representatives of Acasta Consulting to assist with the identification and removal of books and records relating to the debtor ledger.

The Joint Administrators commenced investigations into the conduct of the Company's business prior to their appointment. These investigations will continue in the Liquidation, so further details are not presented here in order that any potential future action is not prejudiced.

As detailed at Section 4 of this report, Acasta Consulting completed its debt collection exercise, with LCF suffering a significant shortfall.

8. THE JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

Our remuneration has been fixed by reference to the time properly given by us (as Administrators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the Administration.

We are also authorised to draw disbursements, including disbursements for services provided by our firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9) in

accordance with our firm's policy, details of which accompanied our Statement of Proposals for achieving the purpose of Administration and which are attached at Appendix 2 of this report

Our time costs for the period from 17 February 2012 to 13 August 2013 amount to £36,134 00 which represents 207 20 hours at an average rate of £174 39 per hour

Since our appointment, we have drawn the total sum of £3,000 00 plus VAT in respect of post-appointment time costs. Further fees may be drawn in line with the approval obtained during the course of the Liquidation should funds permit

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

- ☐ SIP 9 Table of time spent and charge-out value for the period 17 February 2013 to 13 August 2013
- ☐ Narrative summary of time costs incurred
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

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

9. THE JOINT ADMINISTRATORS' EXPENSES

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

10. CREDITORS' RIGHTS

Right to Request Further Information

Pursuant to Rule 2.48A of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the Court) may request in writing that we provide further information about our remuneration or expenses (other than pre-Administration costs) which have been detailed in this progress report

Right to Make an Application to Court

Pursuant to Rule 2.109 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the Court) may within 8 weeks of receipt of this progress report make an application to Court on the grounds that the remuneration charged or the expenses incurred by us as set out in this progress report are excessive or, in relation to the basis fixed for our remuneration, inappropriate

11. ASSETS THAT REMAIN TO BE REALISED

In accordance with Rule 2.117A of the Rules, it is the position that the following assets have yet to be realised and will be dealt with by the Joint Liquidators once they are in office

- Proceeds from investigations – further details are not included in this report in order that any future investigations are not prejudiced

12. OTHER RELEVANT INFORMATION

Report on Directors' Conduct

As detailed in our Statement of Proposals, we have a duty to submit a report to the Department for Business, Innovation and Skills on the conduct of the Directors. We have complied with our duties in this respect.

Investigations Completed

As explained in our Statement of Proposals and interim progress reports we have been investigating the manner in which the business was conducted prior to the Administration of the Company and potential recoveries for the estate in this respect. These investigations will be continued by the Joint Liquidators.

Extension of Administration

The Administration was extended for a period of 6 months with the consent of the secured creditors.

13. CONCLUSION

In accordance with the Joint Administrators' Proposals deemed approved under Rule 2.33(5) of the Rules in the absence of an initial meeting of creditors, the Company moved from Administration to Creditors' Voluntary Liquidation following registration of Form 2.34B by the Registrar of Companies. We will report to creditors in our capacity as Joint Liquidators in due course.



Andrew D Haslam
Former Joint Administrator

Date 4 September 2013

JOINT ADMINISTRATORS' ACCOUNT OF
RECEIPTS AND PAYMENTS

**Fenhams Limited
(In Administration)
Joint Administrators' Trading Account**

Statement of Affairs	From 17/02/2013 To 13/08/2013	From 17/02/2012 To 13/08/2013
TRADING EXPENDITURE		
Indirect Labour	NIL	2,700 00
	NIL	(2,700 00)
TRADING SURPLUS/(DEFICIT)	NIL	(2,700.00)

Fenhams Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 17/02/2013 To 13/08/2013	From 17/02/2012 To 13/08/2013
ASSET REALISATIONS		
Plant & Machinery, Office Furniture & Intellectual Property	NIL	19,999 00
Stock	NIL	1 00
Un-factored Book Debts	NIL	10,000 00
Business Rates Refund	NIL	4,987 27
Bank Interest Gross	NIL	747 89
Trading Surplus/(Deficit)	NIL	35 93
	<u>NIL</u>	<u>(2,700 00)</u>
		33,071 09
COST OF REALISATIONS		
Joint Administrators' Bond	NIL	80 00
Pre Administration Fees	NIL	10,000 00
Joint Administrators' Fees	NIL	3,000 00
Agents' Fees	NIL	5,000 00
Valuers Fees - Charterfields Limited	NIL	1,913 70
Legal Fees	1,500 00	6,727 00
Swearing Fee	NIL	33 33
Statutory Advertising	NIL	76 50
Mileage/Travel	NIL	45 36
	<u>(1,500 00)</u>	<u>(26,875 89)</u>
	<u>(1,500.00)</u>	<u>6,195.20</u>
REPRESENTED BY		
Transfer to Joint Liquidators		6,195 20
		<u>6,195.20</u>

SUMMARY OF THE JOINT ADMINISTRATORS' PROPOSALS

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

- 1) Pursuant to Paragraph 52(1)(b) of Schedule B1 of the Insolvency Act 1986 that the Company has insufficient property to enable a distribution to unsecured creditors otherwise than by virtue of Section 176A of the Insolvency Act 1986
- 2) The Joint Administrators complete the book debt collection exercise
- 3) The Joint Administrators investigate the trading activities of the Group during the two years prior to Administration. Should any recovery action be necessary the Joint Administrators will consider whether the benefit to the creditors will outweigh the costs associated with any action
- 4) The Joint Administrators will seek to agree creditors' claims generally
- 5) In the event that the Joint Administrators are of the view that it is appropriate for the Company to exit Administration into Dissolution, the Joint Administrators be authorised to take steps to dissolve the Company, as detailed in the 'Exit from Administration' section below
- 6) If the Joint Administrators consider that there are surplus funds available to allow a distribution to unsecured creditors, and if they also consider that an exit from Administration into Dissolution is not appropriate, then the Joint Administrators be authorised to take the necessary procedural steps to bring about the end of the Administration and move the Company into Liquidation pursuant to Paragraph 83 of Schedule B1 of the Act. For more details of this procedure, please refer to the 'Exit from Administration' section below
- 7) In the event that the Company moves into Liquidation, the Joint Administrators be appointed as Joint Liquidators as detailed in the 'Exit from Administration' section below
- 8) Upon the Company either proceeding into Dissolution or Liquidation as set out above, the Joint Administrators' discharge from liability, pursuant to Paragraph 98 of Schedule B1 shall take effect fourteen days following either the filing of the Notice moving from Administration to Dissolution or the Company entering into Liquidation
- 9) For the purposes of Rule 2.106(2)(b) of the Insolvency Rules 1986, the Joint Administrators' remuneration be fixed on the basis of their hourly costs at scale rates calculated on the time properly spent in the course of the Administration and that, subject to full disclosure to creditors in accordance with *Statement of Insolvency Practice 9* issued by the Joint Insolvency Committee on behalf of the Joint Administrators' licensing bodies, they may draw their remuneration on account, as and when funds permit. For more details, please refer to the 'Joint Administrators' Remuneration' section in the main body of the report
- 10) The Joint Administrators be at liberty to recharge disbursements including disbursements for services provided by their firm, defined as Category 2 disbursements in *Statement of Insolvency Practice 9* as detailed in the Guide to Administrators' Fees details of how to access this guide are set out at *Appendix 3*
- 11) The Joint Administrators be at liberty to pay costs and remuneration as and when funds become available

- 12) The Joint Administrators shall have authority to sanction and agree the fees of any solicitors, quantity surveyors or similar agents by reference to the time given by such agents and their staff, in attending to matters arising in the Administration
- 13) Without prejudice to the provisions of Section 14 of the Insolvency Act 1986, the Joint Administrators may carry out all other acts that they may consider to be incidental to the Proposals above in order to assist in their achievement of the stated purposes of the Administration Order or any variation thereto
- 14) The Company shall remain in Administration for such period as the Joint Administrators deem necessary and appropriate. The Administration period is limited to twelve months unless extended

THE JOINT ADMINISTRATORS' TIME COSTS AND DISBURSEMENTS

- a SIP 9 Table of time spent and charge-out value for the period from 9 February 2013 to 13 August 2013,
- b Narrative summary of time costs incurred,
- c Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements, and
- d Begbies Traynor (Central) LLP's charge-out rates

Total fees drawn to date £

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

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

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

ADMINISTRATION AND BANKING

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

All correspondence with Companies House and the Court

Any necessary consideration of validity of appointment

All work relating to obtaining and maintaining the IP bond

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

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

All closing matters and any post closure work

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

Case reviews, consideration of strategy

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

Preparation and review of receipts and payments accounts

Contact with Directors re preparation/submission of Statement of Affairs

INVESTIGATIONS

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

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

REALISATION OF ASSETS

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

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

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

Sale of any intangible assets eg IPR, copyrights, patents

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

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

Dealing with landlords, surrenders and disclaimers of leases

TRADING (if appropriate)

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

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

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

CREDITORS

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

Communications with and reporting to secured creditors

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

Correspondence, e-mails, phone calls with members

Acknowledgement and recording of creditor claims

Adjudication of the claims as appropriate

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

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

OTHER MATTERS

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

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

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

Other - all work involving pension issues

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

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

BEGBIES TRAYNOR (CENTRAL) LLP

DISBURSEMENTS AND EXPENSES POLICY AND CHARGE OUT RATES

NEWCASTLE UPON TYNE AND TEESSIDE OFFICES

INTRODUCTION

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

Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

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

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

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest.

Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

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

The office holder has overall responsibility for the administration of the estate.

He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level.

There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded, in 6 minute units, at the individual's hourly rate in force at that time; the hourly rates applicable to this case are detailed below.

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

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

Best practice guidance classifies expenses into two broad categories.

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

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

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

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

- Internal meeting room usage for the purpose of statutory meetings is charged at the rate of £100 per meeting. The Newcastle upon Tyne and Teesside offices do not at this time make any such charge to the insolvent estate for internal meeting room usage.
 - Car mileage is charged at the rate of 45 pence per mile.
 - Storage of books and records (when not chargeable as a *Category 1 expense*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates. The Newcastle upon Tyne and Teesside offices do not at this time make any such charge to the insolvent estate for the internal storage of books and records.
- *Expenses which should be treated as Category 2 disbursements (creditor approval is required)*

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

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

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

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

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

The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*.

- Telephone and facsimile
- Printing and photocopying
- Stationery
- Postages

BEGBIES TRAYNOR (CENTRAL) LLP

CHARGE-OUT RATES

NEWCASTLE UPON TYNE AND TEESSIDE OFFICES

Begbies Traynor (Central) LLP is a national firm

The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions

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

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

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead

Only where a significant amount of time is spent at one time on a case is a charge made for support staff

Time is recorded in units of 0.10 of an hour (i.e. 6 minute units)

STATEMENT OF THE JOINT ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Legal Fees	Ward Hadaway Solicitors	1,500 00	1,500 00	Nil