

LIQ03

Notice of progress report in voluntary winding up



Companies House

TUESDAY



ABXBEKSN

A17

14/02/2023

#145

COMPANIES HOUSE

1 Company details

Company number 1 0 8 4 7 1 5 2

Company name in full Drain And Tank Engineering Ltd

→ Filing in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Simon

Surname Lowes

3 Liquidator's address

Building name/number 5 Prospect House, Meridians Cross

Street Ocean Way

Post town Southampton

County/Region

Postcode S O 1 4 3 T J

Country

4 Liquidator's name ①

Full forename(s) Stephen

Surname Powell

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 5 Prospect House, Meridians Cross

Street Ocean Way

Post town Southampton

County/Region

Postcode S O 1 4 3 T J

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

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6 Period of progress report

From date	^d 0	^d 4	^m 0	^m 1	^y 2	^y 0	^y 2	^y 2
To date	^d 0	^d 3	^m 0	^m 1	^y 2	^y 0	^y 2	^y 3

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X *S. Lawrence*

X

Signature date

^d 1	^d 3	^m 0	^m 2	^y 2	^y 0	^y 2	^y 3
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LIQ03

Notice of progress report in voluntary winding up

**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 **Ryan Cullinane**

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

Address **5 Prospect House, Meridians Cross
Ocean Way**

Post town **Southampton**

County/Region

Postcode **S O 1 4 3 T J**

Country

DX

Telephone **023 8021 9820**

**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

**Drain And Tank Engineering Ltd
(In Creditors' Voluntary Liquidation)**

Progress Report

Period: 4 January 2022 to 3 January 2023

Important Notice

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

Contents

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- ☐ Assets that remain to be realised and work that remains to be done
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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Drain And Tank Engineering Ltd (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators on 4 January 2022.
"the liquidators", "we", "our" and "us"	Simon Lowes of Begbies Traynor (Central) LLP, 5 Prospect House, Meridians Cross, Ocean Way, Southampton, SO14 3TJ and Stephen Mark Powell of Begbies Traynor (Central) LLP, 5 Prospect House, Meridians Cross, Ocean Way, Southampton, SO14 3TJ
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Trading name(s):	None
Company registered number:	10847152
Company registered office:	Begbies Traynor (Central) LLP, 5 Prospect House, Meridians Cross, Ocean Way, Southampton, SO14 3TJ
Former registered office:	130 Bournemouth Road, Chanders Ford, Eastleigh, SO53 3AL

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	4 January 2022
Date of liquidators' appointment:	4 January 2022
Changes in liquidator (if any):	None

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 4 January 2022 to 3 January 2023.

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.

The details below relate to the work undertaken in the period of this report only.

General case administration and planning

The Liquidators and their staff have incurred time costs during the reporting period through completion of the following work:

- Administrative tasks such as filing and dealing with general case queries;
- Carrying out periodic case reviews and deciding upon case strategies to be pursued;
- Cashiering tasks such as bank reconciliations.

The work detailed in this category provides no direct financial benefit to creditors, it is however necessary to be carried out by the Liquidators and their staff in the performance of their duties.

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Act & Rules require Insolvency Practitioners to undertake certain work in discharging their statutory duties and obligations. During the period of this report time costs have been incurred by the Liquidators and their staff through the following:

- Statutory filing with the Registrar of Companies;
- Statutory advertisement in the London Gazette;
- Notification of the Liquidators' appointment to all known creditors of the Company;
- Preparation and delivery of an Initial Report to all known creditors;
- Calculation of the statutory bordereau which was enacted upon the Liquidators' appointment.

Time costs incurred in this segment will not provide a direct financial benefit to creditors, however the relevant legislation requires that such work is carried out by the Liquidators and their staff.

Investigations

The Liquidators and their staff have incurred time costs during the reporting period in respect of investigations through:

- Liaising with the Company's bank account provider, Santander, to obtain copy bank statements for all accounts operated by the Company;
- Undertaking a review of the Company's bank statements to identify whether any causes of action exist which can be pursued for the benefit of the liquidation and its creditors; and
- Completion of the Company Directors Disqualification (CDDA) report to the Secretary of State in accordance with Section 7(3) of the Company directors Disqualification Act 1986 within 3 months of the Liquidators' appointment. Creditors should note that the content of all such reports in liquidation proceedings are confidential.

In review of the Company's bank statements the Liquidators identified several transactions made by the Company prior to its liquidation which they are making further enquiries of the director in respect of. The director has provided substantiating documents regarding the transactions identified which the Liquidators are in the process of reviewing. Creditors will be provided with further update in the Liquidators next report.

Realisation of assets

Tangible Assets

Eddisons Commercial Ltd who are professional agents and valuers were instructed to assist in the valuation and sale of the Company's tangible assets. The director advised of two motor vehicles, being Ford Ranger Wildtrak vehicle registration H20 DTE and Citroen Relay vehicle registration P6 DTE which were subject to finance. The Company's other assets consisted of miscellaneous Plant & Machinery, its Stock and its Goodwill.

Eddisons Commercial Ltd established that vehicle Ford Ranger Wildtrak had been modified and that the vehicle body was not owned by the Company, however its underlying chassis was owned by the Company and was subject to finance. The finance agreement for the vehicle had been novated to the director's NewCo and Eddisons Commercial Ltd therefore established that at the time the agreement was novated to the NewCo the vehicle's value was £22,500.00 excluding the vehicle body which was not owned by the Company. The outstanding finance on the vehicle was £17,500.00 and Eddisons Commercial Ltd therefore sought payment in the sum of £5,000.00 for the equity in the vehicle at the time of its novation.

Eddisons Commercial Ltd initially valued the Company's "owned assets" being its Plant & Machinery and Stock at £7,500.00, its financed assets being the equity in the Ford Ranger at £5,000.00 and the Goodwill at £7,500.00. The director disputed the equity in the Ford Ranger Wildtrak on the basis that removal of the vehicle body not owned by the Company, its replacement and paintwork would likely be in the region of the estimated equity in the vehicle.

On 12 January 2022 Eddisons Commercial Ltd received an offer of £2,000.00 plus VAT for the Company's owned assets, which was rejected. Eddisons Commercial Ltd sought an increased offer of £10,000.00 plus VAT for the Company's owned assets, its Goodwill and advised that the novation of the Ford Ranger Wildtrak to NewCo would not be objected to given the circumstances outlined above if a sale agreement was entered into.

An improved offer in the sum of £10,000.00 plus VAT was subsequently received on 19 January 2022, being £4,000.00 plus VAT payable upon completion and three deferred monthly instalments totalling £6,000.00 plus VAT. The Liquidators' agent, Eddisons Commercial Ltd, recommended that the offer be accepted as it likely represented the best available offer for the Company's assets. In accordance with their agent's advice, the offer was accepted and the full consideration of £10,000.00 plus VAT has now been received. No further realisations will ensue.

Book Debts

The Director's Statement of Affairs lodged in these proceedings detailed book debts as carrying a book value of £9,001.00. The "Estimated to Realise" value was uncertain. The Liquidators conducted a review of the debtor ledger following their appointment and wrote to debtors in request that payment of outstanding invoices be made to the Company. To date, the sum of £1,439.17 has been recovered. The Liquidators have written off 8 debtors which cumulatively totalled £1,165.24 as being irrecoverable. Each of the 8 outstanding invoices was £150.00 or less and would not have been economical to pursue further. The Liquidators have subsequently established that invoices totalling £724.00 which were detailed as book debts were actually received by the Company prior to Liquidation and are not therefore owing.

The Liquidators' recovery of the outstanding debtor ledger is ongoing. The Liquidators will give consideration to the instruction of a specialist debt collection agent to assist in debtor recoveries and creditors will be provided with further update in the Liquidators next report.

Trading

The Company ceased to trade prior to entering into liquidation and accordingly no time costs have been incurred in respect of trading.

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

Time costs have been incurred by the Liquidators and their staff through ongoing correspondence with creditors, through the lodging of creditor claims where received and in advising creditors on the likelihood of dividend prospects in the liquidation.

The Liquidators and their staff are required to maintain accurate records of creditor claims in the event that sufficient asset realisations are achieved to allow for a distribution to creditors to be made. In addition, best practice dictates that creditor queries are responded to in an appropriate and proportionate manner.

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

The Liquidators and their staff have incurred time costs in this segment through:

- Seeking the decisions of creditors via correspondence at a Decision Date held on 24 February 2022 in regard to the basis of the Liquidators' remuneration and expenses;
- Deregistering the Company for VAT purposes through the submission of Form VAT 7 to HM Revenue & Customs;
- Requesting the final VAT return for the post liquidation period 4 January 2022 to 18 October 2022.
- Section 120 notices submitted to Nest Pensions, The Pensions Regulator and the Pension Protection Fund in accordance with the Liquidators' obligations under the Pensions Act.

Time costs incurred in respect of the above will not provide a direct financial return to creditors but are necessary to be incurred in the course of the Liquidators' administering.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided [in the director's statement of affairs.

Secured creditors

There are no secured creditors.

Preferential creditors

There are no known preferential creditors.

Secondary preferential creditors

Further to the changes to the Finance Act 2020, HM Revenue & Customs are now able to claim secondary preferential status for certain liabilities. Taxes owed by the business to HMRC comprising of VAT, PAYE Income Tax, Employee National Insurance Contributions, Student loan deductions and Construction Industry Scheme deductions fall under the secondary preferential status.

The secondary preferential claim of HM Revenue & Customs was estimated by the director at £715.54.

Unsecured creditors

Unsecured creditors were estimated by the director at £75,361.48. To date, claims totalling £123,462.84 have been received from 16 creditors.

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

There are no secured creditors.

Preferential creditors

There are no known preferential claims.

Secondary preferential creditors

Based upon realisations to date and estimated future realisations, there will be insufficient funds available to enable a dividend to be paid to HM Revenue & Customs as secondary preferential creditor.

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:

Where charge is created between 15th September 2003 and up to 6th April 2020

- ☐ 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

Where charge is created on or after 6th April 2020

- ☐ 50% of the first £10,000 of *net property*;
- ☐ 20% of *net property* thereafter;
- ☐ Up to a maximum amount to be made available of £800,000

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 will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.

6. REMUNERATION & EXPENSES

Remuneration

Our remuneration has been fixed by a decision of the creditors on 24 February 2022 obtained via a Decision Procedure by way of correspondence by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the winding up as set out in the fees estimate dated 28 January 2022 in the sum of £29,837.96 plus VAT.

We are also authorised to draw expenses for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, which is attached at Appendix 2 of this report.

Our time costs for the period from 4 January 2022 to 3 January 2023 amount to £19,122.50 which represents 63.30 hours at an average rate of £302.09 per hour.

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

- ☐ Time Costs Analysis for the period 4 January 2022 to 3 January 2023
- ☐ Begbies Traynor (Central) LLP's charging policy

To 3 January 2023, we have drawn the total sum of £5,467.25 on account of our remuneration, against total time costs of £19,122.50 incurred since the date of our appointment.

Time Costs Analysis

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

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

Work undertaken prior to appointment

In addition to the post appointment remuneration, the costs relating to work undertaken prior to our appointment in assisting with the preparation of the statement of affairs and seeking the decisions of creditors on the nomination of liquidators in the sum of £4,000.00 plus VAT were approved by the creditors on 4 January 2022.

Category 1 Expenses

To 3 January 2023, we have incurred Category 1 Expenses in the sum of £228.20. A full breakdown is provided at Appendix 3 of this report.

Why have subcontractors been used?

No subcontractors have been engaged nor instructed to date.

The Liquidators did however instruct professional agent and valuers Eddisons Commercial Ltd to assist in the valuation and sale of the Company's assets. Eddisons Commercial Ltd were instructed upon their standard terms, being a valuation fee of £750.00 and commission at 10%. Eddisons Commercial Ltd's fees in the sum of £1,750.00 plus Vat have been paid.

Eddisons Insurance Services Limited were instructed to provide open cover insurance in respect of the Company's assets. Eddisons Insurance Services Limited's invoice is awaited and will be settled by the Liquidators in due course.

Category 2 Expenses

In accordance with the resolution obtained in relation to expenses, the following Category 2 expenses have been charged to the case since the date of our appointment:

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
<p><u>AGENTS FEES</u></p> <p>Eddisons Commercial Ltd, which is a member of the Begbies Traynor group, were instructed to assist in the valuation and sale of the Company's assets upon their standard rates, being a valuation fee of £750.00 and commission at 10%.</p>	<p>Valuation fee - £750.00 Commission - £1,000.00</p>
<p><u>OPEN COVER INSURANCE:</u></p> <p>Eddisons Insurance Services Limited ("EIS"), 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.</p>	<p>Awaited. Estimated at £168.00</p>
TOTAL	1,918.00

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

7. LIQUIDATORS' EXPENSES

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

Expenses actually incurred compared to those that were anticipated

Creditors will recall that we estimated that the expenses of the liquidation would total £2,615.00. That estimate has not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged.

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

At this stage in the liquidation, the only asset that remains to be realised is the Company's debtors. Work that remains to be done is summarised below:

General case administration and planning

Time costs are expected to be incurred in the above segment through completion of the following:

- Administrative tasks such as filing and dealing with general case queries;
- Cashiering tasks such as bank reconciliations; and
- Undertaking periodic case reviews and deciding upon case strategies to be pursued.

The work which will be incurred in this category is of no financial benefit to creditors, it is however necessary in the Joint Liquidators and their staff in carrying out their duties.

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Act and Rules require Insolvency Practitioners and their staff to undertake certain work in discharging their statutory duties and obligations, work that remains to be done includes:

- Preparation and circulation of further statutory reports to creditors;
- Preparation and circulation of the Liquidators' final report and account once all matters have been finalised; and
- Statutory filing with the Registrar of Companies.

Work expected to be incurred in this segment provides no direct financial benefit to creditors, it is however required by the relevant legislation to be undertaken by the Liquidators and their staff.

Investigations

As detailed elsewhere in this report, the Liquidators' review of the Company's bank statements identified several transactions made by the Company prior to it entering in to liquidation which the Liquidators are making further enquiries in respect of. The Liquidators have been provided substantiating information which they are in the process of reviewing to determine whether any material causes of action exist which can be pursued for the benefit of the liquidation and its creditors. Creditors will be provided with further update in the Liquidators' next report.

Realisation of assets

As detailed elsewhere in this report, the recovery of the Company's debtor ledger is ongoing. The Liquidators will give consideration to the merits of instructing a specialist debt collection agent to assist in recoveries. Creditors will be provided with further update in the Liquidators' next report.

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

Further time costs are expected to be incurred in liaising with creditors in regard to claims lodged in the liquidation and in lodging any further creditor claims received from creditors. Whilst time costs incurred in this regard are not expected to provide a direct financial return, creditors should note that the Liquidators and their staff are required to accurately record creditor claims in the liquidation and to provide creditors with appropriate and proportionate responses to their reasonable queries.

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

Further time costs will be incurred through the submission of post liquidation Corporation Tax returns to HM Revenue & Customs and through the submission of the post liquidation VAT return for the period 4 January 2022 to 18 October 2022. Time costs incurred in this segment are not expected to provide a direct financial return to creditors, they are however necessary to be incurred in ensuring that the Company's post liquidation tax position is up to date.

How much will this further work cost?

The 'further work' detailed above has always been anticipated, but at this point in the proceedings, it has not yet been carried out and completed. As you know, this work is necessary in order that I may complete the liquidation as envisaged. The cost of completing this work will not exceed any amounts approved by creditors previously.

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 28 January 2022 which included all of the expenses that we anticipate that we will incur throughout the liquidation.

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

We estimated that the cost of administering the case would be in the region of £29,837.96, and subsequently you have provided approval for us to draw our remuneration up to that level. However, as you are aware, due to the fact that there are limited assets, the remuneration that we can draw is limited to the amount that is realised for the assets, (less any costs incurred in realising those assets). At this stage in the liquidation, I can estimate that total remuneration drawn will be in the region of £6,000.00 plus VAT.

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

9. OTHER RELEVANT INFORMATION

Connected party transactions

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 paid and date	Name of Purchaser	Relationship with The Company
14.02.2022	Assets, stock and whatever rights or interest the liquidator can pass in the brand/goodwill of the business to include domain name, website content, phone numbers, email addresses, social media accounts, customer list and name.	£10,000 plus VAT payable on payment terms detailed below: £4,000.00 plus VAT payable on completion and deferred instalments: - £2,000 plus VAT on 20 March 2022 £2,000 plus VAT on	South West Tank Supplies Ltd	Connected by way of common directorship

		20 April 2022 £2,000 plus VAT on 20 May 2022		
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Further details regarding the sale of the Company's assets were provided at Section 4 of this report. As previously mentioned, the Liquidators' agent, Eddisons Commercial Ltd, recommended the acceptance of the £10,000.00 offer as they considered that it likely represented the best return for the liquidation.

Use of personal information

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

10. CREDITORS' RIGHTS

Right to request further information

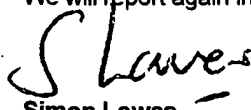
Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors,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

Right to make an application to court

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

11. CONCLUSION

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


Simon Lowes
Joint Liquidator

Dated: 13 February 2023

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 4 January 2022 to 3 January 2023

Drain And Tank Engineering Ltd
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments
To 03/01/2023

S of A £		£	£
	ASSET REALISATIONS		
Uncertain	Stock	10,000.00	
Uncertain	Book Debts	1,439.17	
Uncertain	Tangible Assets	NIL	
	Cash in Client Account	171.37	
			11,610.54
	COST OF REALISATIONS		
	Specific Bond	20.00	
	Statement of Affairs Fee	4,000.00	
	Liquidators' Fees	5,467.25	
	Agents/Valuers Fees (1)	1,750.00	
	Statutory Advertising	188.20	
			(11,425.45)
	SECONDARY PREFERENTIAL CREDITORS		
(715.54)	HMRC	NIL	
			NIL
	UNSECURED CREDITORS		
(69,824.24)	Trade Creditors	NIL	
(2,202.70)	Employees	NIL	
(84.39)	Banks/Institutions	NIL	
(480.95)	Utilities	NIL	
(2,769.20)	Accountants	NIL	
			NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	
			NIL
(76,177.02)			185.09
	REPRESENTED BY		
	Vat Receivable		2,285.09
	Vat Payable		(2,000.00)
	Suspense Account		(100.00)
			185.09

COSTS AND EXPENSES

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 4 January 2022 to 3 January 2023.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

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

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

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

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

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

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

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting;
- Car mileage is charged at the rate of 45 pence per mile; and
- 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 two categories referred to above, best practice guidance indicates that where payments are

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

² Ibid 1

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 an entity within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval):

Instruction of Eddisons Insurance Services Limited ("EIS") to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The costs of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The forecasted cost of insurance for the 3-month period immediately following appointment is £168.00 inclusive of Insurance Premium Tax. The costs of insurance cover for subsequent quarter periods will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case.

In accordance with the standard insurance industry practice, EIS will receive payment of commission for the services it provides from the 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.

EIS will invoice the insolvent estate for the premium(s) due on the insurer's behalf and receive payment from the estate. EIS will in turn, account to the insurer for the premium(s) payable after deducting any commission payable by the insurer.

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

- Telephone and facsimile
- Printing and photocopying
- Stationery

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

Grade of staff	Charge-out rate (£ per hour) 1 January 2022 until further notice
Partner	545
Director	490
Senior Manager	435
Manager	380
Assistant Manager	275
Senior Administrator	240
Administrator	195
Junior Administrator	155
Cashier	155

Secretarial

155

Grade of staff

**Charge-out rate
(£ per hour)
1 December
2018 –
31 December
2021**

Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Support	140

Time is recorded in 6-minute units.

SIP9 Drain And Tank Engineering Ltd - Creditors Voluntary Liquidation - 04DR164.CVL : Time Costs Analysis From 04/01/2022 To 03/01/2023

[illegible]

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				
Statutory Advertising	Courts Advertising Ltd	188.20	188.20	-
Specific Bond	Marsh Ltd	40.00	20.00	20.00
TOTAL	-	228.20	208.20	20.00
Expenses incurred with entities within the Begbies Traynor Group (<i>for further details see Begbies Traynor Charging Policy</i>)				
Agent's Fees	Eddisons Commercial Ltd	1,750.00	1,750.00	-
Insurance of Assets	Eddisons Insurance Services Limited	168.00	-	168.00
TOTAL	-	1,918.00	1,750.00	168.00