

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

TUESDAY



A05

\*A6XRYELN\*

16/01/2018

#374

COMPANIES HOUSE

### 1 Company details

Company number

Company name in full

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

### 2 Liquidator's name

Full forename(s)

Surname

### 3 Liquidator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

### 4 Liquidator's name ①

Full forename(s)

Surname

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

### 5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

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

LIQ03

Notice of progress report in voluntary winding up

**6** Period of progress report

From date	<sup>d</sup> 1	<sup>d</sup> 8	<sup>m</sup> 1	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 7
To date	<sup>d</sup> 1	<sup>d</sup> 7	<sup>m</sup> 1	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 7

**7** Progress report

☒ The progress report is attached

**8** Sign and date

Liquidator's signature

Signature

X



X

Signature date

<sup>d</sup> 1	<sup>d</sup> 5	<sup>m</sup> 0	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8
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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	Rebecca Mileham
Company name	Begbies Traynor (Central) LLP
Address	The Old Exchange
	234 Southchurch Road
Post town	Southend on Sea
County/Region	
Postcode	S S 1 2 E G
Country	
DX	
Telephone	01702 467255

**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

**All information on this form will appear on the public record.**

**Where to send**

**You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:**

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**

**D. H. Electrical Services Limited**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £		From 18/12/2016 To 17/12/2017 £	From 18/12/2014 To 17/12/2017 £
	<b>FINANCED VEHICLE</b>		
11,000.00	Citroen Berlingo x2	NIL	4,000.00
(10,834.00)	Finance	NIL	(2,453.51)
		NIL	1,546.49
	<b>ASSET REALISATIONS</b>		
152,727.00	Book Debts	NIL	46,690.63
9,640.19	Tax Refund	NIL	9,640.19
	Insurance Refund	NIL	248.85
14,000.00	Cash at Bank	NIL	34,407.87
	Rates refund	NIL	315.11
	Bank Interest Gross	NIL	189.75
		NIL	91,492.40
	<b>COST OF REALISATIONS</b>		
	Statement of Affairs Fee	NIL	6,500.00
	SofA disbursements	NIL	340.33
	Liquidators' Fees	9,722.50	38,722.50
	Liquidators' Expenses	78.00	626.90
	Agents/Valuers Fees (1)	NIL	1,546.49
	Corporation Tax	NIL	16.85
	Stationery & Postage	24.96	64.86
	Debt Collection Fee	6,683.61	15,813.61
	Storage Costs	231.00	946.69
	Bank Charges	NIL	5.00
		(16,740.07)	(64,583.23)
	<b>PREFERENTIAL CREDITORS</b>		
	RPO re Arrears/Holiday Pay	NIL	6,785.10
(15,070.44)	Employees re Arrears/Hol Pay	NIL	3,412.49
		NIL	(10,197.59)
	<b>UNSECURED CREDITORS</b>		
(85,057.12)	Trade Creditors	5,879.98	5,879.98
(58,712.00)	Estimated Redundancy/ Notice Pay	NIL	NIL
	RPO	2,872.47	2,872.47
(40,000.00)	HMRC (non VAT)	4,580.21	4,580.21
(32,856.00)	HMRC (VAT)	2,937.30	2,937.30
		(16,269.96)	(16,269.96)
	<b>DISTRIBUTIONS</b>		
(126.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(55,288.37)</b>		<b>(33,010.03)</b>	<b>1,988.11</b>
	<b>REPRESENTED BY</b>		
	Vat Control Account		1,988.11
			<b>1,988.11</b>



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# **D. H. Electrical Services Limited**

## **(In Creditors' Voluntary Liquidation)**

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### **Progress report**

**Period: 18/12/2016 to 17/12/2017**

#### **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.

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### **Contents**

- ☐ Interpretation
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- ☐ Liquidators' expenses
- ☐ Assets that remain to be realised and work that remains to be done
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  - 2. Liquidators' time costs and disbursements
  - 3. Statement of Liquidators' expenses

# 1. INTERPRETATION

<b><u>Expression</u></b>	<b><u>Meaning</u></b>
"the Company"	D. H. Electrical Services Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators on 18 December 2014.
"the liquidators", "we", "our" and "us"	Lloyd Biscoe of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG and Dominik Thiel Czerwinke of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG
"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):	D.H. Electrical Services Limited
Company registered number:	03019649
Company registered office:	The Old Exchange, 234 Southchurch Road, Southend on Sea, Essex, SS1 2EG
Former trading address:	Unit 2, Eversley Way, Thorpe Industrial Park, Egham, TW20 8RG

# 3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	18 December 2014
Date of liquidators' appointment:	18 December 2014
Changes in liquidator (if any):	None

## 4. PROGRESS DURING THE PERIOD

During the period, we have undertaken mandatory reporting and administration. We have proceeded to declare and pay a first and final dividend to the unsecured creditors and are proceeding with our concluding tasks.

### **Receipts and Payments**

Attached at Appendix 1 is our abstract of receipts and payments for the period from 18/12/2016 to 17/12/2017.

### **Book Debts & Debt Collection Costs**

No realisations have been made during the liquidation. The position was discussed with the instructed debt collector and due to the age of the remaining outstanding debts, the liquidators concluded that no further realisations were to be made and therefore any outstanding sums would be written off.

The total sum of £66,836.10 has been realised since our appointment in respect of book debts. However it should be noted that of this, the sum of £20,145.47 was received direct in to the Company's former bank account and therefore included within the Cash at Bank figure on the receipts and payments account.

Surreytech Services Limited was instructed to assist with the collection of the Company's outstanding book debts. Surreytech Services is controlled by Mr. David Hemsley, the director of D.H. Electrical Services Limited and therefore chosen due to being the most knowledgeable person/company to deal with the Company's former clients and debtor accounts. Surreytech Services Limited is to be remunerated on a 10% of realisations basis.

The sum of £6,683.61 has been paid to Surreytech Services Limited for their assistance with the collection and no further payments are to be made.

### **Storage Costs**

During the period, the sum of £231 has been paid to Archive Facilities (Southend) Limited for the storage of the Company's books and records. Archive Facilities (Southend) Limited is associated to partners of Begbies Traynor Group and therefore deemed as a category 2 disbursement, which requires creditor approval. We can advise that approval was obtained at the meeting of creditors on 18 December 2014.

### **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.

### **General case administration and planning**

- Updating case strategy plan;
- Update of case compliance checklists;
- Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and otherwise does not directly fall into other categories;
- General case updates to include internal meetings on case strategy and effecting instruction;
- Ongoing maintenance of up to date information on the electronic case information;

- Periodic reviews of the case generally;
- Completion of six monthly compliance and progression checklists;
- Ensure time recording data is compliant with Statement of Insolvency Practice 9;

On this engagement, the work identified above does not hold direct commercial benefit to creditors. Creditors benefit from this work as it ensures this particular engagement is dealt with to the standards expected and also in a timely fashion. Elements of this work are required to comply with best practice and statute.

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

- Reviewing the adequacy of the specific penalty bond periodically;
- Ongoing consideration to ethical practice and money laundering regulations;
- Updating case checklists and statutory diaries where necessary;
- Submission of forms to Companies House;
- Issuing annual progress reports for submission at Companies House and copies sent to all known creditors.

#### **Banking:**

- Maintaining and managing the insolvent estate bank account.
- Undertaking regular bank reconciliations of the liquidation bank account.
- Preparing and processing cheque requisition forms for the payment of post-appointment invoices;
- Processing of BACS/electronic payments where applicable;

On this engagement, the work identified above does not hold direct commercial benefit to creditors. It is the duty of the appointed office holder to comply with the Insolvency Act and Rules and creditors benefit from this being done to a standard expected of this firm.

#### **Investigations**

- None

#### **Realisation of assets**

- Liaising with the instructed debt collector and forming a decision on writing off the outstanding book debts due to the Company.
- Cross referencing the debt collectors schedule of debtors received with the realisations made during the period;
- Review of the Company's bank statements to establish how many debtors paid to the former bank account.

On this assignment, the work detailed above has realised assets for the insolvent estate from which one or more class of creditors have directly benefit. The office holders are duty bound to realise and get in the Company's property and maximise asset realisations.

#### **Trading**

- None

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

#### **Creditors:**

- Updating schedules of unsecured creditor claims;
- Receipt of creditor claims and input on internal case management software;
- Review of creditor claim supporting information;
- Acknowledgment of creditor claims correspondence and/or dealing with further queries on claims;
- Receipt of, consideration of and response to creditor correspondence;
- Consideration of issues to reject claims and issue of appropriate letter to creditor(s) affected in accordance with statutory requirements concerning rejection of all or part claims;



- Review of and adjudication on held and un-agreed claims preceding dividend;
  - Calculation and subsequent payment of dividend to unsecured creditors.
- On this engagement, the work detailed above has had a direct financial benefit to creditors. Claim agreement has been undertaken in accordance with the Insolvency Act and Rules together with best practice to ensure that all creditor claims have been correctly lodged and fairly adjudicated on. All creditors that have not claimed have had a fair chance to submit claims. A dividend to creditors has subsequently been paid and the correspondence issued by this office may serve to additionally assist creditors of their remaining loss for tax and VAT purposes.

**Other matters which includes meetings, tax, litigation, pensions and travel**

**Tax / VAT**

- Post appointment tax compliance – submission of corporation tax return(s).
- Post appointment VAT compliance – submission of VAT returns.

On this assignment, the submission of VAT returns has enabled a reconciliation of the input and output VAT leading to a repayment of VAT charged on professional fees for the estate and constitutes a further realisation of assets. In this matter, one or more categories of creditors have directly benefitted from all asset realisations. Office holders are required to comply with VAT and Tax legislation in relation to the insolvent entity.

## 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.

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 secured creditors.

**Preferential creditors**

11 preferential creditors were estimated in the sum of £15,070.44 and to date, we have admitted 11 preferential claims totalling £10,197.59.

A dividend of 100 pence in the £1 has been paid to the preferential creditors in a previous period.

**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**

20 unsecured creditors were estimated at £231,053.39 and we have admitted 26 claims in the total sum of £295,363.71.

A dividend of 5.81 pence in the £1 has been paid during the period to the unsecured creditors.

There are insufficient funds to pay a further dividend as the balance of funds realised have already been distributed or used or allocated to defray the expenses of the liquidation.

## **6. REMUNERATION & DISBURSEMENTS**

#### **Remuneration**

Our remuneration has been fixed by a resolution of creditors at a meeting held on 18 December 2014 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 and we are 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, which is attached at Appendix 2 of this report.

Our time costs for the period from 18/12/2016 to 17/12/2017 amount to £8,458.50 which represents 33 hours at an average rate of £256.32 per hour.

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

- ❑ Time Costs Analysis for the period 18/12/2016 to 17/12/2017
- ❑ Begbies Traynor (Central) LLP's charging policy

To 17/12/2017, we have drawn the total sum of £38,722.50 on account of our remuneration, against total time costs of £42,038 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. An additional analysis is also attached which details the time costs for the entire period for which we have administered the liquidation.

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

## **Disbursements**

To 17/12/2017, we have also drawn disbursements in the sum of £1,638.45 of which the sum of £1,422.59 relate to Category 2 disbursements and disbursements which should be treated as Category 2 disbursements. A full breakdown of these disbursements is detailed at appendix 3.

## **Why have subcontractors been used?**

As mentioned above, Surreytech Services Limited was instructed to assist with the collection of the Company's outstanding book debts. Surreytech Services is controlled by Mr. David Hemsley, the director of D.H. Electrical Services Limited and therefore we choose to subcontract the debt collection due to Mr Hemsley being the most knowledgeable person/company to deal with the Company's former clients and debtor accounts.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2011' 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](http://www.begbies-traynor.com/creditorsguides). Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

# **7. LIQUIDATORS' EXPENSES**

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3. A cumulative statement showing the total expenses incurred since the date of our appointment also appears at Appendix 3.

## **Agents Fees**

Independent agent, Blackcroft Asset Management, was instructed to undertake a valuation and sale of the Company's remaining assets. They were chosen due to prior dealings and known effectiveness. Their valuation fee was fixed at £171.29 plus VAT and they were remunerated on a 15% of realisation basis thereafter plus disbursements. The only Company asset was a motor vehicle that was sold for £4,000.

Blackcroft Asset Management was therefore paid a total sum of £771.29 plus £775.20 disbursements. This sum was paid in full during a prior period.

## **Debt Collection Fees**

Surreytech Services Limited was instructed to assist with the collection of the Company's outstanding book debts. Surreytech Services is controlled by Mr. David Hemsley, the director of D.H. Electrical Services Limited and therefore chosen due to being the most knowledgeable person/company to deal with the Company's former clients and debtor accounts. Surreytech Services Limited is to be remunerated on a 10% of realisations basis.

The sum of £6,683.61 has been paid to Surreytech Services Limited for their assistance with the collection and no further payments are to be made.

In addition, as per the resolutions passed at the creditors meeting on 18 December 2014, the sum of £9,130 was to be paid to Surreytech Services Limited in settlement of the works carried out to complete work in progress following the cessation of trade. This has been paid in full during the period.

## **Storage Costs**

The sum of £946.69 has been paid since our appointment to Archive Facilities (Southend) Limited for the storage of the Company's books and records. Archive Facilities (Southend) Limited is associated to partners of Begbies Traynor Group and therefore deemed as a category 2 disbursement, which requires creditor approval. We can advise that approval was obtained at the meeting of creditors on 18 December 2014.

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

We are in the process of reclaiming the VAT receivable balance before being in a position to bring this liquidation to a close.

**What work remains to be done, why is this necessary and what financial benefits (if any) will it provide to creditors?**

### **General case administration and planning**

- Bond review, cash book maintenance, statutory compliance and reporting.

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

Closure

- Preparing, reviewing and issuing final report to members and creditors;
- Filing of final return at Companies House;
- Update physical and electronic case records following closure;

On this engagement, the work identified above does not hold direct commercial benefit to creditors. It is the duty of the appointed office holder to comply with the Insolvency Act and Rules and creditors benefit from this being done to a standard expected of this firm.

### **Investigations**

- None

### **Realisation of assets**

- Recovery of VAT receivable balance.

### **Trading**

- None

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

- None (other than issue of this and subsequent reports).

### **Other matters which includes meetings, tax, litigation, pensions and travel**

- Filing of final Corporation Tax return;
- Seeking closure clearance from HMRC;

The work identified above does not hold direct commercial benefit to creditors. The above tasks are a legal requirement.

**How much will this further work cost?**

The above work will cost a further £500.

#### **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 follows:

Photocopying -	£5.60
Postage -	£9.10
Storage -	£616.00

## **9. OTHER RELEVANT INFORMATION**

#### **Investigations and reporting on directors conduct**

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. In addition, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Energy and Industrial Strategy. We can confirm that we have discharged our duties in these respects.

#### **Investigations carried out to date**

We have undertaken an initial assessment of the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect.

#### **Connected party transactions**

We have not been made aware of any sales of the Company's assets to connected parties.

## **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.



**D Czerwinke**  
Joint Liquidator

Dated: 15 January 2018

# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 18/12/2016 to 17/12/2017

**D. H. Electrical Services Limited**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £		From 18/12/2016 To 17/12/2017 £	From 18/12/2014 To 17/12/2017 £
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(10,834.00)	Finance	NIL	(2,453.51)
		NIL	1,546.49
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152,727.00	Book Debts	NIL	46,690.63
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	<b>REPRESENTED BY</b>		
	Vat Control Account		1,988.11
			<b>1,988.11</b>





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## TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 18/12/2016 to 17/12/2017; and
- c. Cumulative Time Costs Analysis for the period from 18 December 2014 to 17/12/2017.

## BEGBIES TRAYNOR CHARGING POLICY

### INTRODUCTION

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

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance<sup>2</sup> indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

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

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

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

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

Best practice guidance classifies expenses into two broad categories:

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

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

Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting;  
Car mileage is charged at the rate of 45 pence per mile;  
Storage of books and records (when not chargeable as a *Category 1 disbursement*).

In addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as *Category 2 disbursements*. The following items of expenditure which relate to services provided by entities within the Begbies Traynor Group are to be charged to the case (subject to approval):

#### 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 assistance with the sale of assets. Their charges will be based on a percentage of realisations plus disbursements.

Instruction of Eddisons Commercial Limited to provide a valuation of the Company's physical assets. Their charges will be based on a fixed fee to be agreed plus disbursements.

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 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

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 subsequent quarter periods 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.

#### Services provided by an entity in which an Office Holder has an interest

The following items of expenditure which relate to services provided by an entity that a licensed insolvency practitioner within the firm has an interest in, are also to be charged to the case (subject to approval):

Storage of books and records (when not rechargeable as a *Category 1 expense*) is charged by Archive Facilities (Southend) Limited, an associated company. The rates applying as at the date of this report are: Minimum charge of £40 per quarter for up to three boxes; Four to Two Hundred Boxes charged at £11 per quarter per box; over two hundred boxes are charged at half the aforementioned price, (£5.50 per box per quarter). Mileage for collection of books and records is charged at 55p per mile. Provision of cardboard box charged at £2.75 per box. Where Archive Facilities (Southend) Limited are required to physically pack the books and records, there is a minimum charge of 2 hours at £15 per hour per person required, and at £15 per hour for each hour thereafter. All figures stated are net.

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 Southend-on-Sea as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour)	Charge-out rate (£ per hour)
	1 May 2011 – 30-Apr-16	1 May 2016 – until further notice
Partner	495	495-550
Director	395	395
Senior Manager	365	365
Manager	315	315
Assistant Manager	270	285
Senior Administrator	235	250
Administrator	185	220
Trainee Administrator	160	n/a
Junior Administrator	n/a	160
Support	160	n/a
cashier	n/a	160
secretarial	n/a	160

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

Time is recorded in 6 minute units.

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

Grade of staff	Charge-out rate (£ per hour)	Charge-out rate (£ per hour)
	1 May 2011 – 30-Apr-16	1 May 2016 – until further notice
Director	395	395
Senior Manager	365	365
Assistant Manager	270	285

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

<sup>2</sup> Ibid 1

SIP9 D. H. Electrical Services Limi - Creditors Voluntary Liquidation - 03DH011.CVL : Time Costs Analysis From 18/12/2016 To 17/12/2017

Staff Grade	Consultant/Partner	Director	Snr Mgr	Mngr	Asst Mgr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	1.8	0.4		1.7		1.4				5.3	1,713.50	327.08
Administration	1.3	0.3						0.8		2.4	760.00	316.67
Total for General Case Administration and Planning:	3.1	0.7		1.7		1.4		0.8		7.7	2,483.50	323.83
Compliance with the Insolvency Act, Rules and best practice												0.00
Appointment												
Banking and Bonding	0.3					0.4	5.8	0.0	2.4	9.8	1,813.50	185.05
Case Closure												0.00
Statutory reporting and statement of affairs						4.1				4.1	983.50	235.00
Total for Compliance with the Insolvency Act, Rules and best practice:	0.3					4.5	5.8	0.0	2.4	13.0	2,777.00	198.76
Investigations												0.00
COCA and Investigations												0.00
Total for Investigations:												0.00
Realisation of assets												
Debt collection		1.0		1.8		1.9				4.8	1,440.00	300.00
Property, business and asset sales												0.00
Retention of Title/Third party assets												0.00
Total for Realisation of assets:		1.0		1.8		1.9				4.8	1,440.00	300.00
Trading												0.00
Trading												0.00
Total for Trading:												0.00
Dealing with all creditors (claims including employees), correspondence and distributions												0.00
Secured												0.00
Others		1.0		0.4		3.4				4.8	1,320.00	275.00
Creditors committee												0.00
Total for Dealing with all creditors claims (secured and unsecured), correspondence and distributions:		1.0		0.4		3.4				4.8	1,320.00	275.00
Other matters which includes meetings, correspondence, pensions and travel												0.00
Seeking decisions of creditors including meetings												0.00
Other												0.00
Tax		0.5				0.3		1.0		1.8	428.00	237.78
Litigation												0.00
Total for Other matters:		0.5				0.3		1.0		1.8	428.00	237.78
Total hours by staff grade:	3.4	3.2		4.0		11.5	5.8	2.7	2.4	33.0		
Total time cost by staff grade:	1,343.00	1,384.00		1,280.00		2,702.50	1,073.00	432.00	384.00		8,458.00	
Average hourly rate £:	395.00	395.00	0.00	315.00	0.00	235.00	185.00	160.00	160.00			256.32
Total fees drawn to date £:											0.00	

SP19 D. H. Electrical Services Limi - Creditors Voluntary Liquidation - 03DH011.CVL : Time Costs Analysis From 18/12/2014 To 17/12/2017

Staff Grade	Consultant/Partner	Director	Snr Mgr	Mngt	Asst Mngt	Snr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case Planning	4.8	2.0			1.4		3.0		15.8	4,944.00	312.91
	Administration	3.2	0.3					6.2		11.3	2,878.50	254.73
	Total for General Case Administration and Planning:	8.0	2.3			1.4		9.2		27.4	7,822.50	285.65
	Compliance with the Insolvency Act, Rules and best practice							3.7		3.7	592.00	160.00
Investigations	Appointment							1.5		1.5	5,808.00	107.96
	Banking and Bonding	0.9				0.8	23.7		4.0	30.9		
	Case Closure											0.00
	Statutory reporting and statement of affairs	1.0	6.3			4.1		4.2		15.6	4,574.00	293.21
Realisation of assets	Total for Compliance with the Insolvency Act, Rules and best practice:	1.9	6.3			4.9	23.7	9.4	4.0	50.2	10,974.00	218.81
	CODA and Investigations		7.5	0.5				2.8		10.8	3,568.00	330.37
	Total for Investigations:		7.5	0.5				2.8		10.8	3,568.00	330.37
	Debt collection	6.2	6.1	7.5		8.4		8.3		36.5	10,523.00	288.30
Trading	Property, business and asset sales		2.0							2.0	760.00	395.00
	Retention of Title/Third party assets											0.00
	Total for Realisation of assets:	6.2	8.1	7.5		8.4		8.3		38.5	11,313.00	293.64
	Trading											0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Total for Trading:											0.00
	Secured											0.00
	Others		2.6	1.2		3.7		9.8		17.1	3,810.50	222.84
	Creditors committee							15.8		15.8	2,498.00	160.00
Other matters which includes meetings, tax, litigation, pensions and travel	Total for Dealing with all creditors claims (including employees), correspondence and distributions:		2.6	1.2		3.7		25.2		32.7	6,308.50	192.86
	Seeking decisions of creditors including meetings											0.00
	Other											0.00
	Tax		1.7			0.3		8.2		10.2	2,054.00	201.37
Total fees drawn to date £:	Litigation											0.00
	Total for Other matters:		1.7			0.3		8.2		10.2	2,054.00	201.37
	Total hours by staff grade:	18.1	28.5	18.4		18.7	23.7	83.1	4.0	169.5		
	Total time cost by staff grade:	6,414.50	11,257.50	4,851.00		4,384.50	4,384.50	10,086.00	640.00		42,038.00	
Average hourly rate £:		398.42	393.00	315.00	0.00	235.00	185.00	100.00	160.00			248.01
	Total fees drawn to date £:										0.00	

## 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 <b>not</b> within the Begbies Traynor Group				
Postage	Royal Mail	34.06	34.06 (part discharged after the period ended)	0.00
Statutory Advertising	The Stationary Office Limited	82.00	82.00 (discharged after the period ended)	0.00
Debt Collection	Surreytech Services Limited	6,683.61	6,683.61	0.00
Expenses incurred with entities within the Begbies Traynor Group ( <i>for further details see Begbies Traynor Charging Policy</i> )				
Storage	Archive Facilities (Southend) Limited	231.00	231.00	0.00
Photocopying	Begbies Traynor	83.60	83.60 (part discharged after the period ended)	0.00

## CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Debt Collection	Surreytech Services Limited	15,813.61
Agents Fees	Blackcroft Asset Management	1,546.49
Storage	Archive Facilities (Southend) Limited	946.69
Postage	Royal Mail	111.16
Photocopying	Begbies Traynor	295.80
Statutory Advertising	The Stationary Office Limited	233.00
Specific Bonding Penalty	Insolvency Risk Services Limited	148.50