

AM10

Notice of administrator's progress report



Companies House

THURSDAY



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09/05/2019

#397

COMPANIES HOUSE

1 Company details

Company number 0 7 6 7 0 1 5 7

Company name in full Corbin Industries Limited

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

2 Administrator's name

Full forename(s) Dominik Thiel

Surname Czerwinke

3 Administrator's address

Building name/number The Old Exchange

Street 234 Southchurch Road

Post town Southend on Sea

County/Region

Postcode S S 1 2 E G

Country

4 Administrator's name ①

Full forename(s) Lloyd

Surname Biscoe

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

5 Administrator's address ②

Building name/number The Old Exchange

Street 234 Southchurch Road

Post town Southend on Sea

County/Region Essex

Postcode S S 1 2 E G

Country

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

AM10

Notice of administrator's progress report

6 Period of progress report

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

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

X

Signature date	d	0	d	7	m	0	m	5	y	2	y	0	y	1	y	9
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**Presenter information**

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

Contact name **Lloyd Biscoe**

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 **southend@begbies-traynor.com**

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 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

Dominik Thiel Czerwinke and Lloyd Biscoe were appointed joint administrators on 18 October 2017

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

Corbin Industries Limited (In Administration)

Progress report of the joint administrators

Period: 18 October 2018 to 17 April 2019

Important Notice

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

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Corbin Industries Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 18 October 2017
"the administrators" "we" "our" and "us"	Dominik Thiel Czerwinke of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG and Lloyd Biscoe of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, Essex, SS1 2EG
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

2. STATUTORY INFORMATION

Name of Company	Corbin Industries Limited
Trading name(s):	Corbin
Date of Incorporation:	15 June 2011
Company registered number:	07670157
Company registered office:	The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators:	Dominik Thiel Czerwinke, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG and Lloyd Biscoe, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, Essex, SS1 2EG
Date of administrators' appointment:	11 December 2018 – Dominik Thiel Czerwinke 18 October 2017 – Lloyd Biscoe and Mary Anne Currie-Smith
Date of administrators' resignation:	11 December 2018 – Mary Anne Currie-Smith
Court:	Birmingham High Courts of Justice
Court Case Number:	8281 of 2017
Person(s) making appointment / application:	Partnership Invoice Finance Limited
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.
EU Regulation on Insolvency Proceedings:	Regulation (EU) 2015/848 of the European Parliament and of the Council applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.
Extensions of the administration period	The administration period was extended with the consent of creditors for a period of 12 months until 17 October 2019.

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 18 October 2018 to 17 April 2019.

Receipts

Pre Packaged Sale

As reported previously the Company's assets were sold by way of a pre-packaged sale, which was completed immediately following the appointment of the Joint Administrators. Full details of this sale were included in our statement to creditors in accordance with Statement of Insolvency Practice 16. To date the purchaser has paid four of the total of six instalments due and as such has defaulted on the terms of the sale agreement. Solicitors, HCB Solicitors, were instructed by the Joint Administrators to recover the outstanding amounts due.

Following protracted correspondence with the purchaser it transpired that they had been unable to procure all of the items sold to them under the terms of the Sales Agreement and as such they were unwilling to pay the balance of the consideration due.

The Administrators' solicitors issued a letter before action which was staunchly defended by the purchasers and a counter claim was threatened. As a result the Administrators reassessed the merits of any potential action and it was deemed uneconomical to continue proceedings.

The Administrators agreed to drop hands on the basis that no counter claim was instigated. No further realisations are therefore expected from this source.

Gross Bank Interest

The sum of £1.80 has been earned by way of gross bank interest on the funds held in the administration bank account.

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. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment. The details below relate to the work undertaken in the period of the report only. Our previous reports contain details of the work undertaken since our appointment.

General case administration and planning

- Updating the electronically held information at this office;
- General filing and printing of incoming communications;
- Maintaining physical case files;
- Updating case strategy plan.
- Review and 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;
- Overseeing and controlling the work undertaken on this engagement by junior staff;
- Creation of file notes where necessary;
- Ensure time recording data is compliant with Statement of Insolvency Practice 9;

On this engagement, the work identified above does not hold a 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

- Preparation and circulation of progress report;
- Reviewing the adequacy of the specific penalty bond periodically;
- Ongoing consideration to ethical practice;
- Ongoing consideration to money laundering regulations;
- Updating case checklists and statutory diaries where necessary;
- Submission of forms to Companies House;

Banking:

- Maintaining and managing the insolvent estate bank account.
- Maintaining and managing the officer holders' cash book on this assignment.
- Undertaking regular bank reconciliations of the insolvent estate bank account.
- Complying with risk management procedures;
- Accounting for accruing interest on the cash book;
- Preparing and processing cheque requisition forms for the payment of post-appointment invoices;
- Preparing and processing remittance advises for incoming funds;

On this engagement, the work identified above does not hold a 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

- Corresponding with purchaser regarding the payment of the deferred consideration;
- Liaising with solicitors regarding the collection of deferred consideration payments;
- Reviewing strategy regarding the collection of the balance of deferred consideration and assessing the cost/benefit of any potential action;

On this assignment, the work detailed above has realised assets for the insolvent estate. 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, correspondence and distributions

Creditors:

- Updating schedules of unsecured creditor claims;
- Receipt of creditor claims and input on internal case management software;
- Acknowledgment of creditor claims correspondence and/or dealing with further queries on claims;
- Receipt of, consideration of and response to creditor correspondence;

On this engagement, the work detailed above has not had any direct financial benefit to creditors from the insolvent estate and has been undertaken to comply with the Insolvency Act and Rules together with best practice and enabling creditors to have evidence of their loss for tax and VAT purposes.

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

Tax / VAT

- Post appointment VAT compliance – submission of VAT returns;
- Completion of corporation tax returns.

On this assignment, the reconciliation of input and output VAT and the subsequent submission of VAT returns has enabled further realisation of assets for the estate but of insufficient value from which creditors may directly benefit. It is a requirement of the office holders to complete and file VAT returns until conclusion of the matter.

Pensions

- Dealing with pension related matters.

There is no direct financial benefit to creditors of this work on this assignment. It is required by statute for the office holders to identify any possible pension schemes in place and deal with their closure or otherwise. Where schemes exist, we engage pension trustee services to deal with this on our behalf.

5. ESTIMATED OUTCOME FOR CREDITORS

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

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

Partnership Invoice Finance Limited

The secured charge holder was paid in full from fixed charge assets realisations on the 3 April 2018.

Preferential creditors

As a result of the sale of the business the employees of the Company have transferred to the purchaser under the Transfer of Undertakings (Protection of Employment) Regulations 2006; there are presently no known preferential claims, however, a preferential claim may arise from unpaid pension contributions.

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 administrator 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

An administrator will not be required to set aside the prescribed part of net property if:

- ☐ the net property is less than £10,000 and the administrator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the administrator 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)).

Partnership Invoice Finance Limited, who hold a qualifying floating charge over the assets of the Company, were repaid in full under the fixed charge element of their security. To the best of our knowledge and belief, there are therefore 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 there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.

Effect of administration on limitation periods under the Limitation Act 1980

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

6. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed, by the secured creditor on 19 December 2017, by reference to the time properly given by us and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters as set out in the fees estimate.

We are also authorised to draw disbursements for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, details of which accompanied the Statement of proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report.

Our time costs for the period from 18 October 2018 to 17 April 2019 amount to £10,276.50 which represents 31.2 hours at an average rate of £329.44 per hour. This results in total time costs for the entire period of the administration of £66,606.00 which represents 218.7 hours at an average rate of £304.55 per hour. Further information in relation to our time costs is set out at Appendix 2 and provides details of the work undertaken by us and our staff following our appointment only.

To 4 March 2019, we have drawn the total sum of £30,000 on account of our remuneration, against total time costs of £66,606.00 incurred since the date of our appointment.

Time Costs Analysis

In addition to the time costs information disclosed at Appendix 2 for the period of this report, a cumulative Time Costs Analysis for the period from 18 October 2017 to 17 April 2019 is also attached at Appendix 2.

As can be seen from the information above, we have exceeded the limit of our previously approved estimate. For the avoidance of any doubt, we have not drawn any remuneration in excess of the level approved. The reason why the previously approved estimate has been exceeded is due to the purchaser of the Company's business assets renegeing on the sales agreement by refusing to pay the remaining two instalments. As a result significant time has been expended on seeking to recover the funds due.

We are presently not intending to seek an increase to our original fees estimate, any additional time costs incurred in completing the administration over our original estimate will instead be written off. However, we reserve the right to seek an increase should circumstances alter.

Disbursements

To 17 April 2019, we have not drawn any disbursements.

Category 2 Disbursements

No Category 2 disbursements or disbursements that should be treated as Category 2 disbursements have been drawn during the period of this report.

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

7. ADMINISTRATORS' EXPENSES

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

Expenses actually incurred compared to those that were anticipated

Creditors will recall that we estimated that the expenses of the administration would total £6,988. That estimate has been exceeded due to the contesting of the remaining two instalments of the deferred consideration by the purchaser. Therefore further legal fees and associated disbursements are likely to be incurred and are estimated to reach approximately £20,000.

In addition, due to the retirement of one of the administrators, the cost of the specific penalty bond has increased to £148.50. Finally postage and photocopying were originally omitted from the original estimate. These are estimated to be in the region of £300 each.

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

There are no assets that remain to be realised.

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

General case administration and planning

- The preparation, drafting and issue of this report to creditors and members to include all necessary information;
- Obtaining up to date estimates from solicitors instructed in relation to their costs;
- 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;
- Overseeing and controlling the work undertaken on this engagement by junior staff;
- Ensure time recording data is compliant with Statement of Insolvency Practice 9;

Elements of this work are required to comply with best practice and statute. There is no direct commercial benefit to creditors in relation to the above matters, but creditors benefit from case progression and accuracy. This work is necessary to progress the case and 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;
- Ongoing consideration to money laundering regulations;
- Updating case checklists and statutory diaries where necessary;

- Preparation and circulation of future progress reports;
- Submission of forms to Companies House;
- Maintain accurate account of receipts and payments;
- Issuing progress reports for submission at Companies House and copies sent to all known creditors;
- Monitoring responses to our request to extend the administration period;

Banking:

- Maintaining and managing the insolvent estate bank account.
- Maintaining and managing the officer holders' cash book on this assignment.
- Undertaking regular bank reconciliations of the estate bank account.
- Complying with risk management procedures;
- Accounting for accruing interest on the cash book;
- Preparing and processing cheque requisition forms for the payment of post-appointment invoices;
- Preparing and processing remittance advises for incoming funds;
- Processing of BACS/electronic payments where applicable;

Closure

- Preparing, reviewing and issuing final report to members and creditors;
- Filing of final return at Companies House;
- Ensuring all matters concluded prior to the finalisation of the administration;
- Update physical and electronic case records following closure;
- Closure and reconciliation of bank account.

On this engagement, the work identified above does not hold a 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

- Continue to liaise with solicitors regarding the collection of the two outstanding deferred consideration payments;
- Review of strategy regarding the realisation of the remaining consideration;
- Accounting for gross bank interest earned;

On this assignment, the ongoing work detailed will realise assets for the insolvent estate. The office holders are duty bound to realise and get in the Company's property and maximise asset realisations. In some cases this does not yield sufficient realisations to enable creditors to have a direct financial benefit.

Trading

- None

Dealing with all creditors' claims, correspondence and distributions

Creditors:

- The issue of this report and associated required documents;
- Receipt of creditor claims and input on internal case management software;
- Taking and dealing with phone calls from creditors;
- Acknowledgment of creditor claims correspondence and/or dealing with further queries on claims;
- Receipt of, consideration of and response to creditor correspondence;

On this engagement, the work detailed above will not have any direct financial benefit to creditors from the insolvent estate and has been undertaken to comply with the Insolvency Act and Rules together with best practice and enabling creditors to have evidence of their loss for tax and VAT purposes.

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

- The completion of VAT forms in order to reclaim outstanding VAT;
- The completion of Corporation Tax returns;
- Seeking closure clearance from HMRC;
- Liaising with Redundancy Payments Service regarding unpaid pension contributions;
- Concluding pension matters;

The above have no direct financial benefit to creditors but have to be done in order to comply with the Insolvency Rules, as well as a legal requirement.

How much will this further work cost?

As detailed in our fees estimate accompanying our proposals, we expect the work detailed above to cost a further £9,837.

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 1 December 2017 which included all of the expenses that we anticipate that we will incur throughout the administration. As detailed earlier in this report we have exceeded our estimate in respect of legal fees due to unforeseen work arising regarding the collection of deferred consideration.

9. OTHER RELEVANT INFORMATION

Extension of administration

The administration has been extended for a period of 12 with the consent of creditors.

Proposed exit route from administration

On present information we consider that the Company will have insufficient property to enable distribution to be made to unsecured creditors. Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators, and that the purpose of the administration has been fully achieved, we propose to deliver a notice of moving from administration to dissolution to the Registrar of Companies. Upon the registration of such notice our appointment as administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

Use of personal information

Please note that in the course of discharging our statutory duties as Joint Administrators, 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 (other than pre-administration costs) which have been incurred during the period of this progress report.

Right to make an application to court

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

11. CONCLUSION

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



Lloyd Biscoe
Joint Administrator

Dated: 7 May 2019

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 18 October 2018 to 17 April 2019

Corbin Industries Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 18/10/2018 To 17/04/2019 £	From 18/10/2017 To 17/04/2019 £
SECURED ASSETS		
Book Debts	NIL	347,890.11
Goodwill	NIL	13,332.00
	NIL	361,222.11
COSTS OF REALISATION		
Agents/Valuers Fees	NIL	0.03
	NIL	0.03
SECURED CREDITORS		
(330,249.00) Chargeholder (1)	NIL	337,316.86
	NIL	(337,316.86)
HIRE PURCHASE		
(25,000.00) Finance Company (2)	NIL	NIL
(285,000.00) Finance Company (3)	NIL	NIL
(40,000.00) Finance Company(1)	NIL	NIL
	NIL	NIL
ASSET REALISATIONS		
Bank Interest Gross	1.80	6.89
Cash at Bank	NIL	131.19
Customer Contracts and Stock	NIL	10,000.00
Erroneous Receipt	NIL	13,950.00
Plant & Machinery	NIL	33,200.00
Rates Refund	NIL	2,832.26
Third Party Asset Rights	NIL	16,800.00
	1.80	76,920.34
COST OF REALISATIONS		
Administrators' Fees	5,000.00	30,000.00
Agents/Valuers Fees (1)	NIL	8,100.00
Agents/Valuers Fees (2)	NIL	625.68
Assistance with Statement of Affairs	NIL	4,000.00
Legal Fees (1)	NIL	11,960.00
Pension Costs	NIL	1,950.00
Pre-administration Costs	NIL	14,591.50
Refund of erroneous receipt	NIL	13,950.00
	(5,000.00)	(85,177.18)
UNSECURED CREDITORS		
(25,000.00) Directors	NIL	NIL
(381,106.00) HMRC	NIL	NIL
(1,453,209.00) Trade Creditors	NIL	NIL
	NIL	NIL
(2,539,564.00)	(4,998.20)	15,648.44
REPRESENTED BY		
Bank 1 Current		15,648.44
		15,648.44


Lloyd Biscoe
Joint Administrator

TIME COSTS INFORMATION

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 18 October 2018 to 17 April 2019; and
- c. Cumulative Time Costs Analysis for the period from 18 October 2017 to 17 April 2019.

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.

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 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

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

² Ibid 1

SIP9 Corbin Industries Limited - Administration - 03CO587.ADM : Time Costs Analysis From 18/10/2018 To 17/04/2019

Staff Grade	Consultant/Partner	Director	Sr Mngr	Mngr	Asst Mngr	Sr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning												
Case planning		0.9		3.4						4.3	1,426.50	331.74
Administration	0.6	0.4		7.3				2.3		10.6	3,205.00	302.36
Total for General Case Administration and Planning:	0.6	1.3		10.7				2.3		14.9	4,631.50	310.44
Compliance with the Insolvency Act, Rules and best practice												
Appointment		0.1								0.1	39.50	395.00
Banking and Bonding	0.3							0.3	1.7	2.3	449.50	195.43
Case Closure												0.00
Statutory reporting and statement of affairs		1.6								1.6	824.00	515.00
Total for Compliance with the Insolvency Act, Rules and best practice:	0.3	1.7						0.3	1.7	4.0	1,313.00	328.25
Investigations												0.00
GDPA and investigations												0.00
Total for Investigations:												0.00
Realisation of assets												
Debt collection	1.0	0.6		1.9						3.5	1,230.50	351.57
Property, business and asset sales				2.6						2.6	819.00	315.00
Retention of Third/Party assets												0.00
Total for Realisation of assets:	1.0	0.6		4.5						6.1	2,049.50	335.98
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								0.3		0.3	48.00	160.00
Creditors committee												0.00
Total for Dealing with all creditors claims (including employees), correspondence and distributions:								0.3		0.3	48.00	160.00
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel												0.00
Seeking decisions of creditors												0.00
Meetings												0.00
Other												0.00
Tax								0.4		0.4	64.00	160.00
Litigation	0.3	5.2								5.5	2,172.50	395.00
Total for Other matters:	0.3	5.2						0.4		5.9	2,236.50	378.07
Total hours by staff grade:	2.2	8.8		15.2				3.3	1.7	31.2		
Total time cost by staff grade:	880.00	3,668.00		4,930.50				928.00	272.00	10,278.50		
Average hourly rate £:	400.00	416.82	0.00	324.36	0.00	0.00	0.00	160.00	160.00			325.44
Total fees drawn to date £:											30,000.00	

SIP9 Corbin Industries Limited - Administration - 03CO587 ADM : Time Costs Analysis From 18/10/2017 To 17/04/2019

Staff Grade	Consultant/Partner	Director	Sr Mgr	Mngr	Asst Mngr	Sr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	1.9	13.8		3.4	1.5	0.4		0.7		21.7	7,900.00	364.06
Administration	8.0	2.4		7.7	0.5	1.4	0.8	22.8		43.6	10,985.50	251.96
Total for General Case Administration and Planning:	9.9	16.2		11.1	2.0	1.8	0.8	23.5		65.3	16,885.50	258.21
Compliance with the Insolvency Act, Rules and best practice		10.3				1.4	0.8			12.5	4,545.50	363.64
Appointment												
Banking and Bonding	2.2							0.3	11.1	13.6	2,775.50	204.08
Case Closure												0.00
Statutory reporting and statement of affairs	6.8	18.6		6.3	13.0			5.9		50.6	16,663.50	329.32
Total for Compliance with the Insolvency Act, Rules and best practice:	9.0	28.9		6.3	13.0	1.4	0.8	6.2	11.1	76.7	23,064.50	312.71
Investigations	0.2				4.5		0.3			5.0	1,349.50	269.90
CDDA and investigations												
Total for Investigations:	0.2				4.5		0.3			5.0	1,349.50	269.90
Realisation of assets	1.0	1.7		1.9	2.0					6.6	2,205.00	334.09
Debt collection												
Property, businesses and asset sales	5.1	12.2		3.5	7.8					28.6	10,042.00	351.12
Retention of Title/Third party assets	0.4	2.0			0.5					2.9	1,093.00	373.45
Total for Realisation of assets:	6.5	15.9		5.4	10.3					36.1	13,330.00	368.87
Trading												0.00
Trading												
Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions		0.9								0.9	355.50	395.00
Secured												
Others	0.5	0.5		0.5	5.4		0.3	6.1		13.3	3,042.00	228.72
Creditors committee												0.00
Total for Dealing with all creditors claims (including employees), correspondence and distributions:	0.5	1.4		0.5	5.4		0.3	6.1		14.2	3,387.50	238.26
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel												0.00
Seeking decisions of creditors												
Meetings	0.7									0.7	315.00	450.00
Other				2.6	2.2			4.2		9.0	2,085.00	231.67
Tax						0.2		2.3		2.5	415.00	166.00
Litigation	0.3	6.9								7.2	2,844.00	395.00
Total for Other matters:	1.0	6.9		2.6	2.2	0.2		6.5		19.4	5,689.00	291.70
Total hours by staff grade:	27.1	66.3		25.9	37.4	3.4	2.2	42.3	11.1	218.7		
Total time cost by staff grade:	10,891.50	27,565.50		8,301.00	10,098.00	799.00	407.00	6,768.00	1,776.00		66,806.00	
Average hourly rate £:	401.90	397.77	0.00	320.50	270.00	235.00	165.00	160.00	160.00			304.55
Total fees drawn to date £:											30,000.00	

STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Specific Bond	Insolvency Risk Services	81.00	-	81.00
Postage	Royal Mail	50.93	-	50.93
Expenses incurred with entities within the Begbies Traynor Group <i>(for further details see Begbies Traynor Charging Policy)</i>				
Photocopying	Begbies Traynor (Central) LLP	55.20	-	55.20

CUMULATIVE 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				
Specific Bond	Insolvency Risk Services	148.50	-	148.50
Statutory Advertising	The Stationery Office	82.00	-	82.00
Travel	TFL Rail	18.80	-	18.80
Postage	Royal Mail	199.55	-	199.55
Legal Fees	HCB Solicitors Limited	11,960.00	11,960.00	-
Pension Costs	Clumber Consultancy Limited	1,950.00	1,950.00	-
Agents' Costs	ITC Valuers Limited	3,000.00	3,000.00	-
Agents' Costs	MRG Appraisals Management	5,100.00	5,100.00	-
Agents' Costs	Dunlop Heywood	625.65	625.65	-
Assistance with Statement of Affairs	Clarity Turnaround Limited	4,000.00	4,000.00	-
Expenses incurred with entities within the Begbies Traynor Group <i>(for further details see Begbies Traynor Charging Policy)</i>				
Photocopying	Begbies Traynor	220.80	-	220.80