

The Insolvency Act 1986

**Administrator's progress report**

Pursuant to Rule 2.38 of the Insolvency (Scotland) Rules 1986

Name of Company Earthy Foods & Goods Limited	Company number SC298867
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(a) Insert full name(s) and address(es) of administrator(s)

I/We (a)  
Kenneth Wilson Pattullo  
Begbies Traynor (Central) LLP  
Second Floor  
Excel House  
30 Semple Street  
Edinburgh  
EH3 8BL

Adam Southard  
Begbies Traynor (Central) LLP  
Second Floor  
Excel House  
30 Semple Street  
Edinburgh  
EH3 8BL

administrator(s) of the above company attach a progress report for the period

(b) Insert date(s)	from (b) 9 January 2018	to (b) 8 July 2018
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Signed

  
 Joint / Administrator(s)

Dated

3 August 2018

**Contact Details:**

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form.

The contact information that you give will be visible to searchers of the public record

Kenneth Wilson Pattullo Begbies Traynor (Central) LLP Second Floor Excel House 30 Semple Street Edinburgh EH3 8BL	
DX Number	0131 222 9060 DX Exchange



SCT \*S7CIWPTB\* #110  
17/08/2018  
COMPANIES HOUSE

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When you have completed and signed this form, please send it to the Registrar of Companies at:-  
Companies House, 4<sup>th</sup> Floor, Edinburgh Quay 2, 139 Fountainbridge,  
Edinburgh, EH3 9FF  
DX 235 Edinburgh / LP 4 Edinburgh-2

FRIDAY

Kenneth Wilson Pattullo and Adam Southard were appointed Joint Administrators on 9 January 2018.

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.

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## **Earthy Foods & Goods Limited (In Administration)**

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Progress report of the Joint Administrators pursuant to Rule 2.38 of The Insolvency (Scotland) Rules 1986 (as amended)

Period: 9 January 2018 to 8 July 2018



### **Important Notice**

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

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## 1. STATUTORY INFORMATION

Name of Company	Earthy Foods & Goods Limited
Trading name(s):	Earthy
Date of Incorporation:	14 March 2006
Company registered number:	SC298867
Company registered office:	Second Floor, Excel House, 30 Sempie Street, Edinburgh, EH3 8BL
Name of Court:	Court of Session

## 2. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators:	Kenneth Wilson Pattullo, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, Second Floor, Excel House, 30 Sempie Street, Edinburgh, EH3 8BL and Adam Southard, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, Second Floor, Excel House, 30 Sempie Street, Edinburgh, EH3 8BL
Date of administrators' appointment:	9 January 2018
Date of administrators' resignation:	N/A
Person(s) making appointment / application:	Caledonian Heritable Limited – Floating Charge Holder
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	There have been no previous extensions to the administration period



### 3. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 9 January 2018 to 8 July 2018.

The Joint Administrators set out to achieve the following objectives:

- a) Rescue the company as a going concern or if not achievable:
- b) Achieve a better result for the company's creditors as a whole than would be likely if the company were wound up without being first being in administration or:
- c) Realise the company's assets in order to make a distribution to one or more secured or preferential creditors.

After an initial assessment the Joint Administrators still consider objective (c) above to be achievable.

#### **Debtors**

There were sales made prior to the Administration which had not been received into the Company's bank account upon our appointment. A balance of £750 has been received.

#### **Cash at Bank and In Hand**

We have received £23,217.17 from the Company's bank account.

#### **Bank Interest**

The sum of £21.98 has been received in bank interest during this period.

#### **Short Term Trading Period**

The Company traded until 13 January 2018 in order to make a short term gain whilst disposing of perishable items. Net sales of £11,935 were made, and after net purchases of £355 and employees' gross wages of £2,746, cash of £8,834 has been generated. There are some costs yet to be finalised which will be allocated against this gain, however a small profit is expected and Corporation Tax might become payable.

#### **Sale of Business**

An extensive marketing campaign was not undertaken as it was not deemed to be a cost effective exercise to instruct agents to carry this out, nor to incur additional time costs by the Joint Administrators, when compared to the value of the Company's assets.

The Company assets are as detailed below.

Our agents, Hilco Global, were instructed to value the Company's intellectual property. They identified the goodwill rights in the "Earthy" brand and reputation, the domain name "earthy.co.uk", copyright in the website content held at [www.earthy.co.uk](http://www.earthy.co.uk), copyright in marketing material, the customer mailing list, and rights in the social media accounts (Instagram/Facebook/Twitter). These items were valued at between £2,500 and £9,000.

The Equipment, Fixtures & Fittings were located at the two premises occupied by the Company. Our agents Sweeney Kincaid were instructed to value these assets. Ex-situ and In-situ values of £12,095 and £40,085 were provided. It is worth noting that the ex-situ valuation is a minimum expected on the basis an on-line auction is held with purchasers collecting items from the company's premises.

As there was no interest in the assets at Portobello, and as a result of the significant arrears due under the lease, in addition to the landlord's hypothec claim, the Joint Administrators had no ability to recover any sums from the assets located at this premises and therefore abandoned these assets. The Joint Administrators completed a lease Renunciation on the basis the landlord granted access to remove the company's books and records.

Employees of the company carried out a stock take upon our appointment. Our agents, Alba Stocktakers, were instructed to carry out a stock valuation of the remaining stock at both premises once trading had ceased. The stock was valued at a total of £18,643 (net of margins and VAT). We were contacted by two creditors with Retention of Title claims, both key suppliers to the business with significant debts. Both parties had valid claims and stock was collected prior to the stock valuation.

We received organic interest from 12 parties, however only one submitted a formal offer in respect of the Intellectual Property and assets located at the Ratcliffe Terrace premises. Further to negotiation the offer was increased to £12,501. My respective agents recommended acceptance of the offer and funds have been received.

The landlords at Ratcliffe Terrace and the interested party agreed on the terms of a new lease. As no lease assignment was viable, and in order to facilitate a new lease in conjunction with completing on the sale of assets, the Joint Administrators agreed to complete a lease Renunciation.

I can confirm that the sale has concluded and funds received.

The company's books and records have been collected.

#### **Other Matters**

The Company held a premises licence for the Ratcliffe Terrace premises which enabled it to sell alcohol. This was transferred to the Floating Charge Holder, Caledonian Heritable Limited, pending the sale of assets. The purchaser of the assets has now had the licence transferred to them.

## **4. ESTIMATED OUTCOME FOR CREDITORS**

Attached at Appendix 2 is a Estimated Outcome Statement.

#### ***Preferential Creditors***

*There are sums owed to former employees of the Company in respect of unpaid wages and holiday pay. A claim has yet to be received from the Redundancy Payments Office, however the preferential claims are estimated to total £29,894. It is currently anticipated that there will be insufficient funds to enable a distribution unless further realisations become available*

#### ***Floating Charge Creditor***

Caledonian Heritable Limited hold a Floating Charge over the Company's assets. The original Floating Charge was created on 3 March 2011 and registered on 5 March 2011, but was assigned to Caledonian Heritable Limited on 8 January 2018. The level of the debt assigned is in the region of £200,000. It is currently anticipated that there will be insufficient funds to enable a distribution unless further realisations become available.



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

Section 176A of the Insolvency Act 1986 provides that, where the company has created a Floating Charge after 15 September 2003, an 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 claims. *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 Floating Charge holder may not participate in the distribution of the prescribed part of the Company's net property.

As it is currently expected that a shortfall will be experienced by the preferential creditors, there will be no funds available to the Floating Charge creditor and therefore no ability to set aside funds in respect of the prescribed part.

### **Unsecured Creditors**

The Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of section 176A(2)(a) of the Insolvency Act 1986. Claims from all unsecured creditors have not been received however the total debt due is in the region of £1,072,000. At the date of this report, it appears that there will be insufficient funds to pay a dividend to unsecured creditors in this case.

### **VAT Bad Debt Relief**

Section 36 of the Value Added Tax Act 1994 incorporates provisions which enable the trader to claim VAT Bad Debt Relief after writing the debt off in their accounts six months after the supply. This procedure does not involve the Joint Administrators and claims should be made directly to HM Revenue and Customs.

### **Effect of administration on limitation periods under the Limitation Act 1980**

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.

## 5. REMUNERATION AND DISBURSEMENTS

The Joint Administrators' remuneration is being sought formally under separate cover but will be fixed by reference to the time properly given by us (as Administrators) and the various grades of staff calculated at the prevailing hourly rates of Begbies Traynor (Central) LLP in attending to matters arising in the administration.

Our time costs for the period from 9 January 2018 to 8 July 2018 amount to £38,102, which represents 184.10 hours at an average hourly rate of £206.96. Based on current realisations it is anticipated that our time costs to the conclusion of the Administration will not be recovered in full.

Further information in relation to our time costs and disbursements is set out at Appendix 3.

To date we have not drawn any remuneration or disbursements, however in accordance with Rule 2.39(9)(b) of the Insolvency Scotland Rules 1986 the floating charge holder and preferential creditors are being approached to approve the basis of our remuneration, the payment of an interim fee of £25,000 (exc. VAT) plus category 1 disbursements of £142.11 and that the Joint Administrators be authorised to draw disbursements for services provided by their firm and/or entities within the Begbies Traynor group, in accordance with their firm's policy, details of which accompanied their Statement of Proposals for achieving the purpose of Administration.

### Disbursements

*In accordance with Statement of Insolvency Practice 9 (Scot) I am required to provide you with an analysis of the disbursements that have been charged on the above case over the period. Recoverable disbursements are split into two categories:*

- Specific expenditure referable both to the appointment and a payment to a third party (referred to as Category one disbursements); and
- Expenditure in respect of the appointment which is not a payment to a third party (referred to as Category two disbursements).

*Category one disbursements generally include advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the Liquidator or their staff.*

Category two disbursements may incorporate an element of recovery of overhead costs.

A disbursement summary is below::

<b>Disbursements – category one:</b>	
Travel, postage & Telephone	142.11
<b>Disbursements – category two:</b>	0.00
<b>Total disbursements claimed (£)</b>	<b>142.11</b>

A copy of 'A Creditors Guide to Administrators' Remuneration Scotland' 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](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.





## 6. ADMINISTRATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 4.

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

Further investigations into the historic affairs of the Company are required. The level of any realisations resulting from investigations is not yet known.

## 8. OTHER RELEVANT INFORMATION

### **Report on Directors conduct**

As detailed in our statement of proposals, we have a duty to submit a report to the Department for Business, Energy and Industrial Strategy on the conduct of the directors. We have complied with our duties in this respect.

### **Investigations completed and action taken**

We have undertaken an initial assessment of the manner in which the business was conducted prior to the Administration of the Company. Potential recoveries for the estate in this respect are currently being investigated.

### **Use of personal information**

Please note that in the course of discharging our statutory duties as 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.

## 9. CONCLUSION

Paragraph 76 of Schedule B1 to the Insolvency Act 1986 provides that the appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, the administrator's term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding twelve months. I shall approach creditors in due course should an extension be required.

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

**Adam Southard**  
Joint Administrator

Dated: 14 August 2018



14 AUG 2018

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## ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 9 January 2018 to 8 July 2018

**Earthy Foods & Goods Limited  
(In Administration)  
Administrators' Trading Account**

Statement of Affairs £	From 09/01/2018 To 08/07/2018 £	From 09/01/2018 To 08/07/2018 £
POST APPOINTMENT SALES		
Sales	11,935.14	11,935.14
	<u>11,935.14</u>	<u>11,935.14</u>
PURCHASES		
Purchases (2)	355.52	355.52
	<u>(355.52)</u>	<u>(355.52)</u>
TRADING EXPENDITURE		
Wages & Salaries	2,468.54	2,468.54
PAYE & NI	276.73	276.73
Pension Contributions	6.56	6.56
	<u>(2,751.83)</u>	<u>(2,751.83)</u>
<b>TRADING SURPLUS/(DEFICIT)</b>	<b><u>8,827.79</u></b>	<b><u>8,827.79</u></b>

**Earthy Foods & Goods Limited**  
**(In Administration)**  
**Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 09/01/2018 To 08/07/2018 £	From 09/01/2018 To 08/07/2018 £
<b>ASSET REALISATIONS</b>		
Book Debts	750.00	750.00
Cash at Bank	23,217.17	23,217.17
License Transfer	NIL	NIL
Bank Interest Net of Tax	21.98	21.98
Trading Surplus/(Deficit)	8,827.79	8,827.79
Sale of Business	12,501.00	12,501.00
	<u>45,317.94</u>	<u>45,317.94</u>
<b>COST OF REALISATIONS</b>		
Specific Bond	147.50	147.50
License Transfer	290.00	290.00
Agents/Valuers Fees (1)	2,719.00	2,719.00
Legal Fees (1)	1,481.13	1,481.13
Re-Direction of Mail	408.00	408.00
Statutory Advertising	169.92	169.92
Other Property Expenses	NIL	NIL
Sundry Expenses	182.25	182.25
Wages & Salaries	NIL	NIL
PAYE & NI	NIL	NIL
Bank Charges	3.50	3.50
Registers of Scotland	15.00	15.00
	<u>(5,416.30)</u>	<u>(5,416.30)</u>
<b>PREFERENTIAL CREDITORS</b>		
Pension Contributions	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
	<u><b>39,901.64</b></u>	<u><b>39,901.64</b></u>
<b>REPRESENTED BY</b>		
Vat Receivable		892.17
Bank 2 Current		42,159.66
Vat Payable		(3,150.19)
		<u><b>39,901.64</b></u>

**EARTHY FOODS & GOODS LIMITED (IN ADMINISTRATION)**

**STATEMENT OF ESTIMATED OUTCOME**

AS AT 24 July 2018

	Notes	Achieved to date £	Estimated future £	Estimated final £
<b>Trading</b>				
Sales		11,935	0	11,935
Purchases	1	(355)	0	(355)
Wages		(2,469)	(0)	(2,469)
Rent and rates		(0)	(1,000)	(1,000)
Electricity costs		(0)	(500)	(500)
Insurance		(0)	(500)	(500)
Joint Administrators' remuneration		(0)	(5,000)	(5,000)
PAYE/NIC/Pension		(283)	0	(283)
VAT Payable		649	(649)	0
VAT Receivable		(7)	7	0
		<u>9,470</u>	<u>(7,842)</u>	<u>1,828</u>
<b>Assets subject to Floating Charge</b>				
Trading Surplus		9,470	(7,642)	1,828
Debtors		750	0	750
Intellectual Property		2,000	0	2,000
Equipment, Fittings and Fixtures		6,000	0	6,000
Stock		4,501	0	4,501
Cash at Bank and In Hand		23,217	0	23,217
Bank interest		22	0	22
Vat Payable		2,500	(2,500)	0
		<u>48,460</u>	<u>(10,142)</u>	<u>38,318</u>
<b>Less: General costs of realisation</b>	1			
Agents / Valuers fees		(2,719)	(1,000)	(3,719)
Legal fees		(1,481)	(1,500)	(2,981)
Accountants fees	2	(0)	(1,750)	(1,750)
Corporation Tax	3	(0)	(347)	(347)
Insurance		(0)	(500)	(500)
Bordereau		(148)	0	(148)
Mail redirection		(408)	0	(408)
Statutory advertising		(170)	0	(170)
Register of Scotland		(15)	0	(15)
Bank Charges		(4)	0	(4)
License Transfer		(290)	0	(290)
Sundry Expenses		(182)	0	(182)
Joint Liquidators' outlays		(0)	(142)	(142)
Joint Administrators' remuneration		(0)	(27,662)	(27,662)
VAT Receivable		(685)	885	0
		<u>(6,302)</u>	<u>(32,016)</u>	<u>(38,318)</u>
<b>Funds available for Preferential creditors</b>				<b>Nil</b>
Preferential creditors	4			(29,894)
<b>Funds available for Floating Charge Holder</b>				<b>(29,894)</b>
Less: Prescribed Part carve out				Nil
<b>Available to Floating Charge Holder after carve out</b>				<b>(29,894)</b>
Due to Caledonian Heritable Ltd under Floating Charge	5			(200,000)
<b>Shortfall to Unsecured Creditors</b>				<b>(229,894)</b>

**Notes**

1. Future costs shown are on an estimated basis
2. A provision has been included to cover Corporation Tax advice and potential analysis of the company's accounts.
3. Assumes Corporation Tax payable in full at 19%
4. Preferential creditors have been included on a calculated basis in advance of claims being submitted
5. Estimated balance

# ESTIMATED OUTCOME STATEMENT

Period: 9 January 2018 to 8 July 2018



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## TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP's charging policy; and
- b. Time Costs Analysis for the period from 9 January 2018 to 8 July 2018.





Time and Expenses Report - Summary

15EA121.ADM | ADM - Earthy Foods & Goods Limited | From 09/01/2018 To 08/07/2018

1BOND	0.2000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.20	79.00	395.00
1PLAN	1.2000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.20	474.00	395.00
1ROT	0.0500	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.20	27.00	135.00
1THIRD	0.0000	0.00	0.00	0.10	0.00	0.00	0.00	0.00	0.00	0.10	20.50	205.00
1BANK	0.0000	0.00	0.00	0.40	0.00	0.00	0.20	7.10	0.00	7.70	890.00	115.58
1APPOI	0.0000	12.40	0.00	0.00	0.00	0.00	10.20	0.00	0.00	22.60	5,655.00	250.22
1MEET	0.5000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	197.50	395.00
1INVGN	0.0000	0.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.40	138.00	345.00
4AASMT	0.0000	0.00	0.00	0.00	0.00	0.00	20.90	0.00	0.00	20.90	2,821.50	135.00
1CLAIM	0.4000	0.80	0.00	0.20	0.00	0.00	8.40	0.00	0.00	9.80	1,609.00	164.18
1VATTX	0.0000	0.00	0.00	0.00	0.00	0.00	0.40	0.00	0.00	0.40	54.00	135.00
1CDDA	0.0000	0.00	0.00	0.00	0.00	0.00	1.80	0.00	0.00	1.80	243.00	135.00
1EMPEE	0.0000	0.60	0.00	0.00	0.00	0.00	32.70	0.00	0.00	33.30	4,621.50	138.78
1FXCHG	0.0000	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.00	2,070.00	345.00
1PENSN	0.0000	0.00	0.00	0.00	0.00	0.00	0.90	0.00	0.00	0.90	121.50	135.00
1ADMIN	3.6000	9.70	0.00	10.00	0.00	0.00	19.20	0.00	0.00	42.50	9,650.50	227.07
1FLCHG	1.2000	10.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.10	4,234.50	349.96
1STAT	1.4000	7.90	0.00	0.00	0.00	0.00	14.20	0.00	0.00	23.50	5,195.50	221.09
	8.50	48.70	0.00	10.70	0.00	0.00	109.10	7.10	0.00	184.10		
	3,357.50	15,801.50	0.00	2,433.50	0.00	0.00	14,728.50	781.00	0.00		38,102.00	
												142.11
												0.00
												0.00
												38,244.11

## **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. Best practice guidance<sup>2</sup> requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

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

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

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded 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 usually 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 incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

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

- Car mileage is charged at the rate of 40 pence per mile;
- 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

(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

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<sup>1</sup> Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in Scotland (Effective 1 February 2010)

## **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 Scottish offices as at the date of this report are as follows:

	<b>Rate (£)</b>
Partner 1	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Junior Administrator	110
Cashier & Secretarial	110

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in 6 minute units.

## 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 <b>not</b> within the Begbies Traynor Group				
Specific Bond	Marsh Limited	80.00	80.00	
Specific Bond	AUA Insolvency Risk Services Limited	67.50	67.50	
License Transfer	MacDonald Licensing	290.00	290.00	
Agents/Valuers Fees	Hilco Valuation Services	1,500.00	1,500.00	
Agents/Valuers Fees	Alba Stocktakers & Valuers	460.00	460.00	
Agents/Valuers Fees	Sweeney Kincaid	750.00	750.00	
Agents/Valuers Fees	Registers of Scotland	9.00	9.00	
Legal Fees	Shepherd & Wedderburn	1,481.13	1,481.13	
Re-Direction of Mail	Royal Mail	408.00	408.00	
Statutory Advertising	Courts Advertising	169.92	169.92	
Registers of Scotland	Registers of Scotland	15.00	15.00	

