

# AM10

## Notice of administrator's progress report



Companies House

TUESDAY



A15 \*A7ZN16EH\*  
19/02/2019 #62  
COMPANIES HOUSE

### 1 Company details

Company number 0 5 9 6 4 1 4 5

Company name in full SSB Carehomes Limited

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

### 2 Administrator's name

Full forename(s) Bob

Surname Maxwell

### 3 Administrator's address

Building name/number Fourth Floor

Street Toronto Square

Post town Toronto Street

County/Region Leeds

Postcode L S 1 2 H J

Country

### 4 Administrator's name <sup>Ⓢ</sup>

Full forename(s) Lee

Surname Lockwood

<sup>Ⓢ</sup> Other administrator  
Use this section to tell us about another administrator.

### 5 Administrator's address <sup>Ⓢ</sup>

Building name/number Fourth Floor

Street Toronto Square

Post town Toronto Street

County/Region Leeds


Postcode L S 1 2 H J

Country

<sup>Ⓢ</sup> Other administrator  
Use this section to tell us about another administrator.

# AM10

## Notice of administrator's progress report

<b>6</b>	<b>Period of progress report</b>											
From date	<sup>d</sup> 1	<sup>d</sup> 7	<sup>m</sup> 0	<sup>m</sup> 7	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8				
To date	<sup>d</sup> 1	<sup>d</sup> 6	<sup>m</sup> 0	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9				
<b>7</b>	<b>Progress report</b>											
<input checked="" type="checkbox"/> I attach a copy of the progress report												
<b>8</b>	<b>Sign and date</b>											
Administrator's signature	Signature X  X											
Signature date	<sup>d</sup> 1	<sup>d</sup> 5	<sup>m</sup> 0	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9				

# AM10

## Notice of administrator's progress report



### 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	Jonathan Zealand
Company name	Begbies Traynor (Central) LLP
Address	Fourth Floor Toronto Square
Post town	Toronto Street
County/Region	Leeds
Postcode	L S 1 2 H J
Country	
DX	
Telephone	0113 244 0044



### 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)

Bob Maxwell and Lee Lockwood were appointed joint administrators on 17 July 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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## **SSB Carehomes Limited (In Administration)**

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Progress report of the joint administrators

Period: 17 July 2018 to 16 January 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"	SSB Carehomes Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 17 July 2018
"the administrators" "we" "our" and "us"	Bob Maxwell of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ and Lee Lockwood of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ
"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	SSB Carehomes Limited
Trading names:	The Manor Nursing Home ("The Manor")  Eagle Nursing Home ("Eagle"), collectively ("the Homes")
Date of Incorporation:	11 October 2006
Company registered number:	05964145
Company registered office:	Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ

### 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators:	Bob Maxwell, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ and Lee Lockwood, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ
Date of administrators' appointment:	17 July 2018
Date of administrators' resignation:	N/A
Court:	Leeds High Courts of Justice
Court Case Number:	593 of 2018
Person making appointment / application:	Sanjiv Basu in his capacity as director of the Company
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.

### 4. PROGRESS DURING THE PERIOD

#### Receipts and Payments

Enclosed at Appendix 1A is our trading receipts and payments for the period from 17 July 2018 to 16 January 2019 and enclosed at Appendix 1B is our abstract of receipts of payments.

As detailed in our Statement of Proposals, Eagle Nursing Home had ceased trading and was closed prior to our appointment. The Manor has continued to trade under the Administrator's control whilst both Homes were marketed for sale.

The trading account at Appendix 1A shows a trading profit of £43,221 during the period of this report, however, a number of additional costs have been incurred which are yet to be paid. A trading loss for the Administration period is forecast however this is a result of the payment of wages immediately on appointment relating to the prior month.

Following extensive marketing by Joint Agents, Eddisons Commercial Limited ("Eddisons") and Bespoke Care, a sale of The Eagle Nursing Home completed on 7 December 2018 for the sum of £410,000. A going concern

sale of The Manor was agreed on 7 February 2019 and remains subject to contract. Completion of this sale is currently expected to take place during April 2019.

During the Administration, we have been in dialogue with Lincolnshire County Council as they fund a significant number of the residents. Through our discussions with them, a fee increase was agreed for a number of residents totalling £20,000.

Premier Care Solutions ("PCS") remain instructed to oversee the running of The Manor and Philippa Williamson of PCS has replaced the former director as the nominated individual registered with the CQC. The Administrators have met with and have continued to liaise with PCS throughout the Administration.

Bespoke Care was paid £6,150 plus disbursements of £235 and Eddisons received £6,150 plus disbursements of £300 relating to the sale of the Eagle; being 3% of the selling price plus disbursements.

Eddisons Insurance Services Limited were instructed immediately on appointment to maintain insurance cover over The Homes. Following the sale of the Eagle, the sum of £4,608.30 was paid in respect of the cover provided since appointment to the date of completion of the sale. Following the sale of the Eagle, the sum of £3,880 was paid to RemoteZone for their security services since our appointment.

A full debtor reconciliation was undertaken during the period and book debts that relate to resident fees outstanding at the date of our appointment of £45,784 have been collected to date. A number of historic debts remain outstanding and we are continuing to pursue these. This includes the director's loan account in the sum of £252,225.

**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.

General case administration and planning

The Joint Administrators have formulated an appropriate strategy in order to realise the Company's assets. We are also required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case. Costs in this respect will fall under the above heading.

Compliance with the Insolvency Act, Rules and best practice

As detailed above, there are certain tasks which the joint administrators have a statutory obligation to undertake during the administration. We have notified the various bodies of our appointment, including creditors, and advertised our appointment in the London Gazette.

The Statement of Proposals has been prepared during the period which provided creditors with a detailed update of the progress made during the administration, the assets that remain to be realised and the dividend prospects for creditors.



### Investigations

As explained in our Statement of Proposals, we have undertaken an assessment of the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect. Our investigations are ongoing.

### Realisation of assets

Following our appointment, our agents were instructed to jointly market the Homes on a private treaty basis. It has been necessary to liaise with a number of interested parties and prepare detailed financial information to assist the marketing exercise.

As detailed above, this culminated in the sale of the Eagle on 7 December 2018 for £410,000.

It has been necessary to undertake a review of the debtors outstanding at the date of our appointment. A number of historic debts remain outstanding which we are continuing to pursue. We have also undertaken an analysis of the overdrawn director's loan account and have requested repayment of the overdrawn balance in the sum of £252,225.

A minimal amount of time has been incurred dealing with third party assets held at the Homes at the date of our appointment.

### Trading

We have been required to closely monitor the ongoing trading of the Manor throughout the trading period. This has involved liaising closely with suppliers, the Company's bookkeeper, the Home manager, the Nominated Individual, HSBC and local authorities.

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

It has been necessary to liaise with various creditors following the circulation of our Statement of Proposals and assist with any queries arising.

We have also been required to assist the former employees of The Eagle following our appointment and it was necessary to make a number of redundancies on appointment. Advice has also been sought relating to a historic TUPE transfer and employment advice generally relating to the ongoing trading of The Manor.

In addition, time has also been incurred liaising with the Company's secured creditor, HSBC Bank plc.

### Other matters which includes seeking decisions of creditors via deemed consent procedure and/or decision procedures, meetings, tax, litigation, pensions and travel

Our staff were required to travel to the Homes following our appointment in addition to attending meetings with various stakeholders.

It has also been necessary to liaise with employees and the Supervisor of the preceding CVA in respect of outstanding pension contributions deducted from staff salaries but not paid to the pension scheme provider.

A minimal amount of time has been incurred preparing tax returns on behalf of the Company as is necessary in any Administration.

## 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**

The outcome to HSBC remains dependent upon fixed charge realisations achieved following conclusion of the sale of The Manor. However, based on the agreed sale, we currently anticipate that there will be insufficient funds to satisfy the HSBC indebtedness in full.

#### **Preferential creditors**

We consider that there are likely to be sufficient funds for a dividend to be paid to preferential creditors. However, this is dependent upon floating charge realisations and costs of the same.

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

Details of how the prescribed part for unsecured creditors is calculated were provided in our statement of proposals.

We have estimated, to the best of our knowledge and belief, the Company's net property, as defined in Section 176A(6) of the Act, to be £Nil and the prescribed part of the Company's net property to be £Nil.

#### **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. PRE-ADMINISTRATION COSTS**

On 12 September 2018 the following amounts in respect of unpaid pre-administration costs were approved by the secured creditor:

<b>Description</b>	<b>Name of recipient</b>	<b>Net amount £</b>	<b>VAT £</b>	<b>Gross amount £</b>
Our fees and costs in relation to the Work	Begbies Traynor	14,133.95	2,826.79	16,960.74
Legal costs and disbursements	Irwin Mitchell LLP	5,503.50	1,100.70	6,604.20
<b>TOTAL PRE-ADMINISTRATION COSTS</b>		<b>19,637.45</b>	<b>3,927.49</b>	<b>23,564.94</b>

## **7. REMUNERATION & DISBURSEMENTS**

Our remuneration has been fixed by the secured creditor on 12 September 2018, 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 in the sum of £154,962 at HSBC panel rates. 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 17 July 2018 to 16 January 2019, at HSBC panel rates, amount to £93,343, which represents 506 hours at an average rate of £184 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 17 July 2018 to 16 January 2019
- Begbies Traynor (Central) LLP's charging policy

To 16 January 2019, we are yet to draw any sum on account of our remuneration since the date of our appointment.

#### **Time Costs Analysis**

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

As can be seen from the information above, our estimate has not been exceeded. We are pleased to report that we do not anticipate that it is likely to be exceeded if matters progress to conclusion as envisaged.

#### **Disbursements**

To 16 January 2019, we are yet to draw any disbursements.

#### **Category 2 Disbursements**

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been drawn during the period of this report in accordance with the approval obtained in the total sum of £14,938 are as follows:

#### **Disbursements treated as Category 2 disbursements**

<b>Other amounts paid or payable to any party in which the office holder or his firm or any associate has an interest</b>	
<b>Type and purpose</b>	<b>Amount £</b>
Eddisons Commercial Limited – Agency Fees & Disbursements	6,450.00
Eddisons Insurance Services Limited – Insurance Costs	4,608.30
RemoteZone – Security Costs	3,880.00
<b>TOTAL</b>	<b>14,938.30</b>

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](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.

## 8. ADMINISTRATORS' EXPENSES

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

### **Expenses actually incurred compared to those that were anticipated**

Creditors will recall that we estimated that the expenses of the administration would total £71,159 plus agent's fees of 3% of the selling price of the Homes. That estimate has not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged.

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

**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

As the Administration progresses, updates will need to be made to the strategy dependent upon the outcome of future realisations. This will include meetings between members of staff to formulate the strategy moving forward and ensure that the strategy is achieved. As detailed above, we are also required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case on an ongoing basis. This will include compliance reviews, internal checklist updates and six monthly case reviews.

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

The Act and Rules require that the Joint Administrators produce interim progress reports on a six monthly basis to provide an update to the creditors of the progression made during the Administration.

If the Administration is unable to be concluded within 12 months from the date of appointment, it will be necessary to seek an extension of the Administration period.

In addition, a final progress report will have to be produced once the Administration has reached its conclusion. This will provide creditors with an overview of the Administration, including all realisations, costs and the final outcome for creditors.

Progress reports and the other statutory documentation detailed above must also be filed with the Registrar of Companies under the Act. The Joint Administrators will also periodically monitor realisations and compare to the statutory bond level to ensure that sufficient cover is in place at all times in order to protect the interests of the Company's creditors.

### Realisation of assets

It will be necessary to liaise with our solicitors in order to progress the sale of The Manor.

As detailed above, the debt collection process remains ongoing for resident fees that were outstanding at the date of our appointment. In addition, it will be necessary to pursue the former director in respect of the overdrawn director's loan account.

### Trading

The trading position will continue to be monitored on a daily basis throughout the Administration period. This will include regular dialogue with various stakeholders.

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

We will deal with creditors' queries during the entire duration of the administration. Dealing with correspondence and providing further information on request will incur further time.

### Other matters which include seeking decisions from creditors (via DCP and/or via Decision Procedures) tax, litigation, pensions and travel

It will be necessary to instruct accountants to prepare the necessary corporation tax returns for the Administration period.

Time will be incurred liaising with the Supervisor of the preceding CVA in respect of their investigations into outstanding pension contributions deducted from staff salaries but not paid to the pension scheme provider.

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

Based upon the information currently available to me, I estimate the cost of the further work will remain in line with the original fee estimate.

### **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 10 September 2018 which included all of the expenses that we anticipate that we will incur throughout the administration.

## 10. 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 director. We have complied with our duties in this respect.

### **Investigations completed**

As explained in our Statement of Proposals, we have undertaken an initial assessment of the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect.

### **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.

## **Court Order**

During the sale of the Eagle, it came to the attention of our solicitors that the written consents of HSBC were not filed with the Notice of Appointment at Court on 17 July 2018.

We are therefore required to provide notice that, on 11 January 2019, the High Court of Justice, Business and Property Courts in Leeds ordered that the Administrators are in office and have been so since 17 July 2018 and no prior act of the Administrators is invalidated by the failure to file the written consents of HSBC.

## **11. CREDITORS' RIGHTS**

### **Right to request further information**

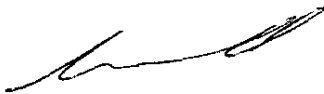
Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, 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.

## **12. CONCLUSION**

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



**R A H Maxwell**  
Joint Administrator

Dated: 15 February 2019

## Trading Receipts and Payments

Period: 17 July 2018 to 16 January 2019

	£	£
<b>POST APPOINTMENT SALES</b>		
Care Fees	356,365.56	
Local Authority Fee Increase	20,000.00	
	<u>376,365.56</u>	376,365.56
<b>OTHER DIRECT COSTS</b>		
Direct Labour	256,467.07	
PAYE/NIC	32,102.04	
	<u>(288,569.11)</u>	(288,569.11)
<b>TRADING EXPENDITURE</b>		
Waste Collection	1,039.39	
Telephone	560.47	
Property Maintenance	471.00	
Payroll Costs	747.50	
Bank Interest & Charges	2,470.63	
IT Costs	803.16	
Sundry Expenses	150.50	
Residents Expenses	340.50	
Stationery	102.60	
Care Management Fees	5,438.96	
Staff Training	1,522.58	
Bookkeeping	9,055.85	
Food	8,774.84	
Petty Cash	5,050.00	
Attachment of Earnings	1,068.87	
Irrecoverable VAT	552.45	
Medical & Cleaning Supplies	6,283.87	
Staff Expenses	142.20	
	<u>(44,575.37)</u>	(44,575.37)
<b>TRADING SURPLUS/(DEFICIT)</b>		<u><u>43,221.08</u></u>

# Account of Receipts and Payments

Period: 17 July 2018 to 16 January 2019

S of A £		£	£
	<b>SECURED ASSETS</b>		
Uncertain	Manor Nursing Home/11 Dog & Duck	NIL	
Uncertain	Eagle Nursing Home	410,000.00	
NIL	Goodwill	<u>NIL</u>	410,000.00
	<b>COSTS OF REALISATION</b>		
	Agents Fees & Disbursements	12,834.90	
	Irrecoverable VAT	2,066.00	
	Security Costs	3,880.00	
	Insurance Costs	<u>4,608.30</u>	(23,389.20)
	<b>SECURED CREDITORS</b>		
(1,064,932.00)	HSBC Bank plc	<u>NIL</u>	NIL
	<b>ASSET REALISATIONS</b>		
Uncertain	Furniture & Equipment	NIL	
200.00	Motor Vehicles	NIL	
Uncertain	Director's Overdrawn Loan Account	NIL	
37,919.00	Book Debts	45,784.12	
	Misc Refund	18.10	
	<b>TRADING SURPLUS/(DEFICIT)</b>	<u>43,221.08</u>	89,023.30
	<b>COST OF REALISATIONS</b>		
	Irrecoverable VAT	3,271.16	
	Re-Direction of Mail	507.00	
	Statutory Advertising	<u>84.60</u>	(3,862.76)
	<b>PREFERENTIAL CREDITORS</b>		
(37,543.99)	Employees - Arrears & Holiday Pay	<u>NIL</u>	NIL
	<b>UNSECURED CREDITORS</b>		
(118,535.58)	Trade Creditors	NIL	
(1,803.23)	Employees	NIL	
(78,622.12)	RPO	NIL	
(343,032.27)	HMRC - PAYE/NIC/CT	<u>NIL</u>	NIL
	<b>DISTRIBUTIONS</b>		
(900,100.00)	Ordinary Shareholders	<u>NIL</u>	NIL
<u>(2,506,450.19)</u>			<u>471,771.34</u>
	<b>REPRESENTED BY</b>		
	Bank 1 Current	474,152.47	
	Company Bank Account	(3,981.13)	
	Utility Deposit	1,800.00	
	Resident personal expenditure	(200.00)	
			<u>471,771.34</u>



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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 17 July 2018 to 16 January 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 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.

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

- Internal meeting room usage for the purpose of physical 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*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates  
*Expenses which should be treated as Category 2 disbursements (approval required)* – in addition to the two categories referred to above, best practice guidance indicates that where

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

<sup>2</sup> *Ibid* 1

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.

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 ("EIS") 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.

In accordance with standard insurance industry practice, EIS will receive payment of commission for the services it provides from the insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

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

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

- Telephone and facsimile
- Printing and photocopying
- Stationery

**Additional payments received by Eddisons Commercial Limited from purchasers where assets are disposed of by way of auction**

In addition to the charges of Eddisons Commercial Limited detailed above for providing the services to the office holder, where any machinery and business assets (other than freehold/leasehold property) are disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's premium, equivalent to 15% of the successful bid. Where any freehold/leasehold property is disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's administration fee, in the sum of £600. It is standard auction industry practice for a buyer's premium and buyer's administration fee to be charged. The buyer's premium and buyer's administration fee is paid by the purchaser of the assets and is not paid by the office holder from the assets of the estate.

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

<b>Grade of staff</b>	<b>Charge-out rate (£ per hour) 1 December 2018 – until further notice</b>
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Support	140

Prior to 1 December 2018, the following rates applied:

<b>Grade of staff</b>	<b>Charge-out rate (£ per hour) 1 May 2011 – until further notice</b>
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	60 - 110

## AGREED HSBC BANK PLC PANEL CHARGE-OUT RATES

The rates agreed with HSBC Bank plc at the date of this report are as follows:

<b>Grade of staff</b>	<b>Charge-out rate (£ per hour)</b>
Partner	260
Director	260
Senior Manager	190
Manager	190
Assistant Manager	190
Senior Administrator	130
Administrator	85
Trainee Administrator	85
Support	85

SIP9 - SSB Carehomes Limited - Administration - 80SS014-ADM : Time Costs Analysis From 17/07/2018 To 16/01/2019

Staff Grade	Companion/Partner	Director	Sr Mngr	Mngr	Asst Mngr	Sr Admth	Admin	Jnr Admth	Support	Total Hours	Time Cost	Average hourly rate £
General Case Administration and Planning		17	35							52	1,107.00	212.88
Administration		37	16					10.7	2.8	18.6	2,475.00	131.05
Total for General Case Administration and Planning:		54	51					10.7	2.8	24.0	3,582.00	148.25
Compliance with the Insolvency Act, Rules and best practice			4.0		3.8			5.8	0.3	13.9	2,035.50	180.00
Banking and Bonding			1.1						17.3	18.4	1,708.50	93.11
Case Citours												0.00
Statutory reporting and statements of affairs	2.3		11.0		14.8			5.1		33.2	5,033.50	178.72
Total for Compliance with the Insolvency Act, Rules and best practice:	2.3		16.1		18.6			10.9	17.6	65.5	10,337.50	157.82
CCDA and investigations		1.1	4.0		4.0			2.0		11.1	1,916.00	173.02
Total for investigations:		1.1	4.0		4.0			2.0		11.1	1,978.00	178.02
Debt collection			3.9		4.0					7.9	1,548.00	195.08
Property, business and assets	1.0		30.5		19.2			2.2		53.5	10,348.00	193.26
Repetition of Title/Trust party assets			0.6		1.0					1.6	304.00	190.00
Total for Realisation of assets:	1.6		35.0		24.2			2.2		63.0	15,196.00	241.83
Trading	11.3	6.1	64.0		108.6			17.0		227.0	43,050.50	189.65
Total for Trading:	11.3	6.1	64.0		108.6			17.0		227.0	43,050.50	189.65
Dealing with all creditors claims (including employees), claims and distributions	1.5	2.3	36.8		5.5					47.0	9,367.00	199.50
Others			14.0		30.7			8.3		53.3	9,577.00	181.56
Creditors committee												0.00
Total for Dealing with all creditors claims (including employees), correspondence and distributions:	1.6	2.3	52.8		36.2			8.3		101.2	19,044.00	188.18
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel	6.0		0.3		2.5					8.5	2,072.50	243.82
Meetings			0.9		2.5					3.4	693.50	201.03
Other:					1.3			1.1		2.4	340.50	141.88
Litigation												0.00
Total for Other matters:	6.0		1.2		6.3			1.1		14.6	3,163.50	216.90
Total hours by staff grade:	22.7	14.9	188.0		197.8			52.2	20.4	508.4		
Total time cost by staff grade:	6,037.00	3,874.00	39,108.00		37,680.00			4,950.50	1,719.00	93,342.50		
Average hourly rate £	263.95	260.00	197.52	0.00	191.44		0.00	89.26	65.25	184.33		
Total fees drawn to date £											0.00	

## 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				
Re-Direction of Mail	Royal Mail	507.00	507.00	-
Statutory Advertising	Courts Advertising Limited	84.60	84.60	-
Legal Fees & Disbursements	Inwin Mitchell LLP	20,887.00	-	20,887.00
Land Registry Searches	HM Land Registry	36.00	-	36.00
Bordereau	Marsh Limited	320.00	-	320.00
Expenses incurred with entities within the Begbies Traynor Group <i>(for further details see Begbies Traynor Charging Policy)</i>				
Agent's fees paid to Eddisons	Eddisons Commercial Limited	12,834.90	12,834.90	-
Insurance premium paid to Eddisons	Eddisons Insurance Services Limited	4,608.30	4,608.30	-
Security Costs paid to Eddisons	RemoteZone	3,880.00	3,880.00	-
Travel & Subsistence	Begbies Traynor (Central) LLP	267.91	-	267.91