

LIQ14

Notice of final account prior to dissolution in CVL




Companies House

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www.gov.uk/companieshouse

1	Company details	
Company number	0 0 1 6 1 9 9 5	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	Thos. Proctor & Son Limited	
2	Liquidator's name	
Full forename(s)	Christopher J	
Surname	Petts	
3	Liquidator's address	
Building name/number	Rotterdam House	
Street	116 Quayside	
Post town	Newcastle-Upon-Tyne	
County/Region		
Postcode	N E 1 3 D Y	
Country		
4	Liquidator's name ①	
Full forename(s)	Sarah	① Other liquidator Use this section to tell us about another liquidator.
Surname	O'Toole	
5	Liquidator's address ②	
Building name/number	4 Hardman Square	② Other liquidator Use this section to tell us about another liquidator.
Street	Spinningfields	
Post town	Manchester	
County/Region		
Postcode	M 3 3 E B	
Country		

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6	Liquidator's release	
	<input type="checkbox"/> Tick if one or more creditors objected to liquidator's release.	
	:	
7	Final account	
	<input checked="" type="checkbox"/> I attach a copy of the final account.	
8	Sign and date	
Liquidator's signature	<div>Signature</div> <div>  </div>	
Signature date	<div> <div>3</div> <div>0</div> </div> <div> <div>0</div> <div>6</div> </div> <div> <div>2</div> <div>0</div> <div>2</div> <div>1</div> </div>	

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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 Chris M Judd

Company name Grant Thornton UK LLP

Address
4 Hardman Square
Spinningfields

Post town Manchester

County/Region

Postcode M 3 3 E B

Country

DX

Telephone 0161 953 6900



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

Thos. Proctor & Son Limited - In Liquidation (the Company)

Final account of the Joint Liquidator

1 Introduction

- 1.1 Following my appointment as Joint Administrator of the Company with Sarah O'Toole on 9 May 2019, Form AM22 – Notice of move from administration to creditors' voluntary liquidation was filed with the Registrar of Companies. The Form AM22 was registered by the Registrar on 9 May 2019 where upon the Administration ended and we were appointed as Joint Liquidators.
- 1.2 The following appendices are included with this report:
 - Appendix A, an account of our receipts and payments for the period from 9 May 2020 to 4 May 2021 (**the Period**) and also for the whole Liquidation
 - Appendix B, Statement of Insolvency Practice 9 disclosure (**SIP9**)

2 Statutory information

- 2.1 The Company's registered number is 00161995.

3 Events since progress report to 8 May 2020

- 3.1 This report should be read in conjunction with all previous reports issued during the course of the Liquidation and preceding Administration. Copies of which are available on the creditors' portal at www.grantthornton.co.uk/portal. Login details have previously been provided to creditors.
- 3.2 Since my last report to creditors I have settled the final costs of the Liquidation, finalised the unsecured creditor position and paid a first and final dividend to the unsecured creditors.

4 Assets

- 4.1 No statement of affairs was prepared for the Liquidation. The only assets transferred from the Administration were:
 - The Administration surplus totalling £81,360 (the difference between the balance in hand of £74,850 per the final Administration report and the final balance transferred to the Liquidation relates to a VAT refund, insurance refund and interest received in the period between the date of the final report and the opening of the Liquidation bank accounts)
 - The Gateshead property, with a statement of affairs value of £695,000. A sale of this property completed on 14 February 2020 for £620,000
 - The Carlisle property, with a statement of affairs value of £119,000 (a sale of the property was completed during the Administration, but the sale proceeds, totalling £140,000 were received in October 2019)

5 Liabilities

Secured creditors

Trustees of the Thos. Proctor & Son Limited Pension Scheme

- 5.1 The Gateshead property was charged to the Trustees of the Company's pension scheme and ultimately the Pension Protection Fund (**PPF**), under a contingent asset security agreement (dated 14 March 2008).
- 5.2 The Company operated a defined benefit pension scheme and an actuarial valuation dated 6 April 2016 identified a deficit of £5.25 million. The PPF has received funds totalling £698,185 in respect of net sale proceeds and the net rental income from the Gateshead property. The PPF has therefore suffered a significant shortfall in relation to its security, which forms an unsecured claim against the Company.

Lloyds TSB Commercial Financial (LTSBCF)

- 5.3 As advised in my previous report, LTSBCF had a receivables finance agreement with the Company and it also held an all assets debenture (providing a fixed and floating charge over the Company's assets). LTSBCF was owed £342,000 by the Company at the date of Administration and suffered a shortfall of £12,736 under its receivables finance agreement. This shortfall was met by the sale proceeds from the Carlisle property, which were available to LTSBCF under its fixed charge in its all assets debenture.
- 5.4 Following the sale of the Carlisle property, £12,736 was distributed to LTSBCF, discharging the liability in full. With the balance of the sale proceeds (net of the fee agreed by LTSBCF), becoming available for the unsecured creditors.

Preferential creditors

- 5.5 As at the date of Administration there were 22 employees, all of whom transferred with the sale of the business and certain assets to Lloyd & Jones. Therefore, we do not consider there to be any preferential creditors in this matter.

Unsecured creditors

- 5.6 The unsecured creditor balance per the director's Statement of Affairs totalled £696,851. This figure did not include the PPF or HM Revenue & Customs.
- 5.7 I have received and agreed unsecured claims totalling £4,888,216.

6 Dividend

- 6.1 A first and final dividend of 1.75p in the £ was paid to the unsecured creditors on 7 April 2021.

7 Remuneration and expenses

- 7.1 The basis of our remuneration was approved by decision procedure during the Administration. Our remuneration is being charged on a time cost basis, capped at £40,000 plus VAT.
- 7.2 £10,000 plus VAT was billed in respect of Administrators time costs during the period of the Administration, leaving a balance of £30,000 plus VAT to be billed during the Liquidation.
- 7.3 A separate remuneration request was approved by LTSBCF (as fixed and floating chargeholder), for a fee of £20,000 plus VAT in respect of fixed charge realisations that would be available to (and therefore borne by) LTSBCF. This amount was billed during the Administration.
- 7.4 The Administrators also received approval directly from the PPF (on behalf of the Company pension scheme which held a security agreement in respect of the Gateshead property), for remuneration of £15,000 plus VAT in respect of the property realisation which would be available to (and therefore borne) by the PPF.
- 7.5 We have incurred time costs and expenses in the Period amounting to £41,193 and £32,029, bringing the Liquidation and Administration cumulative totals at Period end to £185,910 and £66,854 compared to our original fees estimate totalling £65,655 and £47,350.
- 7.6 Of the cumulative incurred totals, £40,000 remuneration and £66,854 expenses have been paid. No further amounts will now be paid.
- 7.7 Further details about remuneration and expenses are provided in Appendix B to this report.

8 Data protection

- 8.1 Any personal information held by the Company will continue to be processed in accordance with completing the Liquidation of the Company and in accordance with meeting our requirements under applicable Data Protection Legislation/law in the United Kingdom. Our privacy notice on our website (www.granthornton.co.uk/en/privacy) contains further details as to how we may use, process and store personal data.

9 Covid-19

- 9.1 This report has been produced during the Covid-19 restrictions. We have taken every reasonable step to ensure that the information is accurate, but if it comes to light that anything is incorrect or incomplete, we will provide an explanation and corrected information in a revised final report.

A handwritten signature in black ink, appearing to read 'CJP', with a stylized flourish at the end.

Christopher J Petts
Joint Liquidator

Date: 5 May 2021

Enc

A. Abstract of the Joint Liquidators' receipts and payments

Statement of Affairs		From 09/05/2020 To 04/05/2021	From 09/05/2018 To 04/05/2021
£		£	£
	SECURED ASSETS		
695,000.00	Leasehold Land & Property - Gateshead	-	620,000.00
119,000.00	Leasehold Land & Property - Carlisle	-	140,000.00
	Bank Interest	140.57	172.15
	Interest on Eversheds client a/c deposit	90.63	194.19
		<u>231.20</u>	<u>760,366.34</u>
	COSTS OF REALISATION		
	Legal Fees	-	20,076.74
	Administrators' fees	14,336.99	14,336.99
	Insurance	-	1,964.18
	VAT - Unrecoverable	23.60	2,879.89
	Corporation Tax	31,093.24	31,093.24
		<u>(45,453.83)</u>	<u>(70,351.04)</u>
	SECURED CREDITORS		
	Lloyds Bank Plc	-	12,735.56
	Pension Protection Fund	-	698,184.95
		<u>-</u>	<u>(710,920.51)</u>
	ASSET REALISATIONS		
	Balance From ADM	-	81,359.81
	Bank/ISA InterestGross	118.75	568.84
	Insurance Refund	232.12	232.12
	Landlord registration fee - returned	200.00	200.00
	Muckle LLP - client monies - interest	143.30	143.30
	Rent	-	64,553.25
		<u>694.17</u>	<u>147,057.32</u>
	COST OF REALISATIONS		
	Administrators Fees	30,000.00	30,000.00
	Insurance of Assets	-	1,016.96
	Legal Fees (1)	-	7,032.34
	Liquidators Expenses	20.00	20.00
	Service Charge	-	827.60
	Stationery & Postage	732.30	732.30
	Statutory Advertising	160.00	233.55
	Storage Costs	74.12	74.12
	ISA Fees	25.75	25.75
	VAT irrecoverable	-	877.80
		<u>(31,012.17)</u>	<u>(40,840.42)</u>
	UNSECURED CREDITORS		
	Unsecured Creditors (All)	85,311.69	85,311.69
		<u>(85,311.69)</u>	<u>(85,311.69)</u>
814,000.00		<u>(160,852.32)</u>	<u>-</u>

Statement of Insolvency Practice 7 states that the headings used in the Receipts and Payments Account should follow those used in any prior Statement of Affairs (SOA) or estimated outcome statement. The SOA was provided by the Company's directors at the commencement of the Administration and provided estimated to realise values for the categories of assets to be realised. The receipts above represent funds passed into Liquidation from the Administration, and as such, a meaningful comparison to the SOA by category cannot be made.

B. Payments to the Joint Liquidators and their associates

SIP9 disclosure

This appendix has been prepared in accordance with the requirements of the Insolvency Act 1986, the Insolvency (England and Wales) Rules 2016 (the Rules) and SIP9. In summary, it covers:

- fee basis
- work done by the Joint Liquidators and their team during the period
- disbursements and expenses
- sub-contracted out work
- payments to associates
- relationships requiring disclosure
- information for creditors (rights, fees, committees)

Post-appointment costs

Fee basis of the Joint Liquidators

On 14 June 2018, the creditors resolved that:

- The remuneration of the Joint Administrators be fixed according to the time properly spent by the Joint Administrators and their staff providing the Joint Administrators' remuneration does not exceed £40,000 plus VAT
- The Joint Administrators' out of pocket expenses at cost; mileage is charged at 45p per mile

On 11 April 2019, LTSBCF (as fixed and floating chargeholder) approved a fixed fee of £20,000 plus VAT in respect of fixed charge realisations. This was paid in the Administration.

On 26 November 2019, the PPF (on behalf of the Company pension scheme which held a security agreement in respect of the Gateshead property), approved a fixed fee of £15,000 plus VAT, in respect of the property realisation. £14,337 was paid in the Liquidation.

During the Period time costs were incurred totalling £41,193 represented by 141 hours at an average of 293 per hour (as shown in the 'Work done' section below). This brings Liquidation and Administration cumulative time costs at the Period end to £185,910 of which an overall total £40,000 (£10,000 in the Administration and the balance in the Liquidation) has been paid. A description of the work done in the Period is provided in the respective section below.

As at Period end, as shown in the 'Work done' section below, recorded time costs have exceeded the time costs in the fees estimate and expenses have exceeded the expense estimate, both of which were provided to the creditors prior to the determination of our fee basis.

As previously advised, the reasons for the excess are as follows:

- Ensuring that initial notification to creditors fully met the provisions and requirements of Statement of Insolvency Practice 16
- Providing increased guidance to Directors in completing Statement of Affairs
- Greater level of work required to review and process retention of title claims from creditors
- Disposal of Company's long leasehold interest in two out of three properties becoming protracted
- Increased work in determining historic tax position of the Company in relation to the properties

Reasons for the excess in respect of expenses relate to:

- Corporation Tax which was not included in the estimate provided to creditors
- Increased stationery and postage costs due outsourcing in light of Covid-19 restrictions

Under r18.30 of the Rules, we are not permitted to draw remuneration in excess of the total amount set out in the fees estimate, £65,655, without approval. No further fees will be drawn in this matter.

Work done by the Joint Liquidators and their team during the Period

We are required to detail costs of actual work done in the Period, including any expenses incurred in connection with it, as against any fees estimate provided. Our fees estimate was included within the Administrators' Statement of Proposals to creditors dated 23 May 2018. We are also required to provide narrative explanation of the work done. The following tables (narrative followed by numerical) set out this information for the Joint Liquidators' fees incurred together with a numerical fees estimate variance analysis. Reasons for any excess of the fees estimate are included in the 'Fee basis' section above. Note, however, that the level of fees eventually paid may be less depending on the value of asset recoveries or successful claims, for example. Details of expenses incurred in connection with work done are provided in the 'Disbursements and expenses' section below.

Area of work	Work done	Why the work was necessary	Financial benefit to creditors	Fees (time costs) incurred		
Creditors				60 hrs	£16,287	£/hr272
Secured	<ul style="list-style-type: none">Discussions and correspondence with the PPF providing updates	<ul style="list-style-type: none">Joint Liquidators have an obligation to recognise and report to secured creditors	<ul style="list-style-type: none">This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it did not add financial value to the estate it adds value to the insolvency process			
Unsecured	<ul style="list-style-type: none">Re-issuing notice of intended dividend to unsecured creditorsReviewing creditor correspondence and dealing with queriesAdjudicating creditor claims	<ul style="list-style-type: none">To prepare for the processing of the dividend to unsecured creditors	<ul style="list-style-type: none">This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process			
Dividends	<ul style="list-style-type: none">Payment of first and final dividend to unsecured creditors	<ul style="list-style-type: none">To distribute funds to creditors	<ul style="list-style-type: none">This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process			

Administration				81 hrs	£24,906	£/hr307
Case management	<ul style="list-style-type: none"> Completion of statutory IPS diary lines Handling day to day general queries Internal case reviews and progression discussions 	<ul style="list-style-type: none"> Day to day case management to ensure all statutory and non-statutory requirements have been complied with 	<ul style="list-style-type: none"> This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it did not add financial value to the estate it adds value to the insolvency process 			
Reports to creditors, notices & decisions	<ul style="list-style-type: none"> Preparing and circulating annual report and associated documents 	<ul style="list-style-type: none"> To comply with legislation 	<ul style="list-style-type: none"> This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate 			
Treasury, billing & funding	<ul style="list-style-type: none"> Reconciling bank accounts to cashbook Processing of receipts and payments Approving creditor bank details 	<ul style="list-style-type: none"> To manage day to day banking requirements, transactions and to ensure sufficient funding available to support essential liquidation costs 	<ul style="list-style-type: none"> This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it did not add financial value to the estate it adds value to the insolvency process 			
Tax	<ul style="list-style-type: none"> Preparation work concerning post appointment VAT returns and VAT de-registration 	<ul style="list-style-type: none"> To comply with tax legislation 	<ul style="list-style-type: none"> This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate 			
Pensions	<ul style="list-style-type: none"> Reviewing pension position to ensure compliance 	<ul style="list-style-type: none"> To comply with pension legislation 	<ul style="list-style-type: none"> This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate 			

Commercial in confidence

Closure

- Preparation work regarding Liquidators ceasing to act
- To comply with legislation
- This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate

Total fees incurred in the Period	141 hrs	£41,193	£/hr293
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Detailed SIP9 time cost analysis for the period and fee estimate variance analysis as at period end
Period from 09/05/2020 to 04/05/2021

Area of work	Partner		Manager		Executive		Administrator		Period total		Cumulative Liquidation total as at period end		Cumulative Administration total		Cumulative Liquidation and Administration total		Fees estimate		Variance			
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£		
Realisation of assets:																						
Insurance											21.85	10,140.75	464.11	82.50	30,601.25	370.92	104.35	40,742.00	390.44	100	33,338.00	
Property											0.10	24.50	245.00									
Debtors											21.50	10,055.00	467.67									
											0.25	61.25	245.00									
Investigations:														21.85	7,658.00	350.48	21.85	7,658.00	350.48	9	2,735.00	
Creditors:									59.80	16,286.56	272.35	81.05	24,541.93	302.80	79.35	27,520.50	346.82	160.40	52,062.43	324.58	42	19,180.00
Secured	3.00	1,530.00							3.00	1,530.00	510.00	16.50	7,504.13	454.80								
Unsecured			15.15	4,783.81	17.40	4,296.00	7.40	1,332.00	39.95	10,411.81	260.52	46.20	12,225.77	264.63								
Dividends			1.70	578.00	15.15	3,766.75			16.85	4,344.75	257.85	18.35	4,812.03	262.24								
Administration:									81.00	24,906.16	307.48	113.25	34,027.31	300.46	157.40	51,420.00	326.68	270.60	85,447.31	315.71	33	10,402.00
Case management	3.25	1,742.50	15.40	4,830.16	2.40	604.00	1.50	270.00	22.55	7,446.66	330.23	28.55	9,335.50	326.99								
Reports to creditors, notices & decisions			20.65	7,037.20	3.05	747.25	1.40	252.00	25.10	8,036.45	320.18	27.60	8,815.25	319.39								
Treasury, billing & funding			2.65	834.07	13.15	2,897.00	2.85	513.00	16.65	4,244.07	227.56	32.86	7,697.12	234.24								
Tax			9.00	3,543.96	3.80	931.00	0.10	18.00	12.90	4,492.58	348.29	21.24	7,158.19	337.01								
Pensions			0.70	416.50					0.70	416.50	595.00	0.70	416.50	595.00								
Closure					1.10	269.50				1.10	269.50	245.00	1.10	269.50	245.00							
General												1.20	335.25	279.38								
Total	6.25	3,272.50	65.25	22,023.72	56.05	13,511.50	13.25	2,385.00	140.80	41,192.72	292.56	216.15	68,709.99	317.88	341.10	117,199.75	343.59	557.25	185,909.74	333.62	184	65,655.00

Notes:

- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes assistant manager and executives
- Adverse variances are presented in brackets
- Total time costs paid to date: £40,000 (excludes VAT)
- Fixed fee, as approved by LTSCBF, paid in the Administration £20,000 (excludes VAT)
- Fixed fee, as approved by PPF paid to date : £14,337 (excludes VAT)
- Please note that the actual time incurred in the Period may slightly differ to that reported in the table above. This is due to lags between time being recorded on our internal system by staff and then being posted to the case. We do not expect any differences to be material.

Statement of expenses and disbursements incurred in the Period

This table provides details of expenses and disbursements incurred in the Period in connection with the work done by the Joint Liquidators, description of which is provided in the 'Work done' / 'Fees estimate and work done in the Period' section above.

Category	Incurred in the Period (£)	Cumulatively incurred as at Period end (£)	Of which paid by the estate as at Period end (£)
Category 1 disbursements			
Joint Liquidators' Bond	-	20	20
Category 2 disbursements			
-	-	-	-
Expenses			
Legal Fees			
Muckle LLP	-	14,496	14,496
Eversheds Sutherland	-	12,612	12,612
Insurance			
JLT Specialty Limited	-	1,017	1,017
Knight Frank LLP	-	1,964	1,964
Statutory Advertising	80	234	234
Service charge	-	828	828
HMRC Corporation Tax	31,093	31,093	31,093
Stationery & Postage			
Central Mailing Services Limited	732	732	732
VAT irrecoverable	24	3,758	3,758
Storage Costs			
Restore plc	74	74	74
Insolvency Service Account fees	26	26	26
Total expenses and disbursements	32,029	66,854	66,854

Disbursements are expenses met by and reimbursed to an office holder in connection with an insolvency appointment and fall into two categories:

Category 1 disbursements

These are also known as 'out of pocket expenses' and are payments to independent third parties where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval and consist of the following categories:

- Travel and subsistence – these costs, which exclude mileage, are incurred by staff in attending trading premises or meetings, for example
- Office costs – these are costs such as postage or courier charges which are incurred in managing the case
- Statutory costs – these are costs such as bonding and advertising relating specifically to the case, which are required by statute

Category 2 disbursements

These are expenses that are directly referable to the insolvent estate but not a payment to an independent third party. They may include shared or allocated costs that may be incurred by an office holder or their firm, and that can be allocated to the appointment on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as an office holder's remuneration.

There were no category 2 disbursements.

Sub-contracted out work

We confirm that, in the Period, we have not sub-contracted out any work that could otherwise have been carried out by us or our team.

Payments to associates

Where we have enlisted the services of others we have sought to obtain the best value and service. In the interest of transparency, we disclose below services we have sought from within our firm or from a party with whom (to the best of our knowledge) our firm, or an individual within our firm, has a business or personal relationship:

Service provider	Services enlisted	Cost of service
Grant Thornton UK LLP	<ul style="list-style-type: none">• Tax work/advice (narrative is included within the above narrative of work done)• Pensions work/advice (narrative is included within the above narrative of work done)	<ul style="list-style-type: none">• Costs are included within the above SIP9 time cost analysis

Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the Joint Liquidators' fee basis, or who provide services to us as Joint Liquidators, which may give rise to a potential conflict.

Information for creditors and members

Information to help creditors and members to understand their rights in insolvency and regarding officeholders' (ie Administrators or Liquidators) fees, and the roles and functions of committees is available via Grant Thornton's website:

<https://www.grantthornton.co.uk/portal>

Alternatively, we will supply this information by post, free of charge, on request.