

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 0 4 0 0 4 5 8

Company name in full Movitex (UK) Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Gareth

Surname Harris

3 Liquidator's address

Building name/number RSM Restructuring Advisory LLP

Street Central Square, 5th Floor

Post town 29 Wellington Street

County/Region Leeds

Postcode L S 1 4 D L

Country

4 Liquidator's name ①

Full forename(s) James

Surname Miller

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number RSM Restructuring Advisory LLP

Street Central Square, 5th Floor

Post town 29 Wellington Street

County/Region Leeds

Postcode L S 1 4 D L


Country

② Other liquidator

Use this section to tell us about
another liquidator.

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6	Period of progress report																
From date	^d	1	^d	7	^m	1	^m	0	^y	2	^y	0	^y	1	^y	9	
To date	^d	1	^d	6	^m	1	^m	0	^y	2	^y	0	^y	2	^y	0	
7	Progress report																
<input checked="" type="checkbox"/> The progress report is attached																	
8	Sign and date																
Liquidator's signature	Signature X 												X				
Signature date	^d	1	^d	0	^m	1	^m	2	^y	2	^y	0	^y	2	^y	0	

**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 **Gareth Harris**

Company name **RSM Restructuring Advisory LLP**

Address **Central Square, 5th Floor**

29 Wellington Street

Post town **Leeds**

County/Region

Postcode

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Country

DX

Telephone **0113 285 5000**

**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

In the matter of

Movitex (UK) Limited In Liquidation
(‘the Company’)

Joint Liquidators' Progress Report

10 December 2020

Gareth Harris and James Miller
Joint Liquidators

RSM Restructuring Advisory LLP
Central Square, 5th Floor
29 Wellington Street
Leeds
LS1 4DL
Tel: 0113 285 5000
Email: restructuring.leeds@rsmuk.com

Sections

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2. Distributions to shareholders
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4. Receipts and payments summary
5. Joint Liquidators' remuneration, expenses and disbursement
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- D. Charging, expenses and disbursements policy statement
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- F. Statement of expenses incurred in the period from 17 October 2019 to 16 October 2020
- G. Joint Liquidators' time cost analysis for the period 17 October 2019 to 16 October 2020

This report has been prepared in accordance with insolvency legislation to provide members and the Registrar of Companies with information relating to the progress of the liquidation in the period from 17 October 2019 to 16 October 2020. This report should be read in conjunction with any previous reports that have been issued, copies of which are available on request.

This report has been prepared solely to comply with the statutory requirements of the relevant legislation. It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the Company.

Neither the Joint Liquidators nor RSM Restructuring Advisory LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this report.

1 Progress of the Liquidation in the previous twelve months

1.1 Payments to creditors

Creditor claims admitted by the Joint Liquidators totalled £1,199,276. All unconnected creditors have been paid in full with statutory interest. The sole shareholder of the Company, Movitex SAS, has been paid in full, however is still due £100,288.02 of statutory interest.

1.2 Realisation of assets

The Joint Liquidators are obliged to realise the Company's property and maximise realisations. Details of the realisations made are set out below, with information relating to dividends, if any, contained within Appendix B.

1.2.1 Book Debts

As previously advised, the Company's trade debtors are being collected by a connected company, LRUUK (Retail) Limited ("LRUK"). The Joint Liquidators have agreed, together with the directors, that they can invoice 22.5% commission on the debts collected.

The Directors declaration of solvency ("DOS") detailed trade debtors as owing £1,046,118. To date, £1,345,497 has been realised in this respect, with £360,440 being realised within the period of this report. Collections remain ongoing.

1.2.2 Claim against Redcats / Kering

The Company was part of a claim against Redcats SA and Kering SA that was brought in the French Courts by the Company's parent company, Movitex SAS. Settlement of £236,584 was received in the period and no further realisations will be received from this source.

1.2.3 Royal Mail Claim

As previously advised, the Company is part of a group action against Royal Mail for collectability of VAT on postage services. The action has been delayed by the Covid-19 pandemic but it is still ongoing with a hearing currently listed for Summer 2021. The Liquidation will remain ongoing until this claim is concluded.

1.2.4 Bank Interest

Bank interest of £536 has been received within the period.

1.3 Case specific matters

1.3.1 Shareholders

Work carried out under this category relates to discussions with the shareholder in relation to approval of fees, recovery of debts and the supply of weekly receipts and payments accounts, which are provided on a monthly basis.

1.3.2 Legal

Work carried out under this category relates to discussions with Mishcon de Reya regarding the claim against Royal Mail and discussions with Schofield Sweeney LLP regarding the potential to assign the aforementioned Royal Mail claim to a connected Company.

1.4 Administration and planning

Certain aspects of the work that the Joint Liquidators undertake are derived from the underlying legal and regulatory framework for cases of this nature. This work, which does not usually result in any direct financial return to shareholders, is a necessary aspect of ensuring that the Joint Liquidators are complying with both of their legislative and best practice responsibilities and ensuring that the case is managed efficiently and effectively. It includes matters such as:

- Periodic case reviews, ongoing case planning and strategy;
- Maintaining and updating computerised case management records;
- Dealing with routine correspondence not attributable to other categories of work;
- Ongoing consideration of ethical and anti-money laundering regulations;

- General taxation matters, including seeking tax clearance from HMRC;
- Submission of VAT returns;
- Preparation of receipts and payments accounts, maintenance of cashing records;
- Preparing, reviewing and issuing annual report to members and other parties; and
- Filing of documentation at Companies House and other relevant parties.

2 Distributions to shareholders

To ensure that all Company liabilities will be met, the Company's shareholder has not received a distribution to date.

3 Details of what remains to be done and matters preventing closure

3.1 Assets remaining to be realised

The only assets remaining to be realised are the trade debtor collections with LRUK and the claim against Royal Mail in ongoing in Court.

3.2 Other outstanding matters

There are no other outstanding matters.

4 Receipts and payments summary

Attached at Appendix C is a summary of the Joint Liquidators receipts and payments for the period from 17 October 2019 to 16 October 2020.

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue and Customs shown separately as VAT – Irrecoverable as a 'cost of realisation'. This is due to the Company being partially exempt. A VAT reclaim will be sought in due course.

5 Joint Liquidators' remuneration, expenses and disbursements

5.1 Authority for remuneration

The Joint Liquidators' remuneration was approved on a time cost basis by the Company's shareholder on 17 October 2018, initially limited to £20,800 plus VAT. The Joint Liquidators were later granted approval by the Company's shareholder on 8 January 2019 to draw fees on a time-cost basis, limited to £26,000 plus VAT. However, the Joint Liquidators have incurred time costs in excess of this sum and have agreed a discount of 20% on any fees over this amount. Approval is sought by the shareholder prior to any bills being raised.

The Joint Liquidators have incurred time costs of £80,657 since the date of their appointment. Of this, a total of £45,000 (plus VAT) has been paid and, after accounting for the aforementioned 20% discount, £24,726 remains outstanding.

Approval was also given to the drawing of disbursements, including category 2 disbursements. Details of the current rates are attached at Appendix E.

5.2 Remuneration and disbursements incurred in the period from 17 October 2019 to 16 October 2020 and since appointment

The Joint Liquidators have incurred time costs of £31,291 in the current period. An analysis of time incurred in the period is attached at Appendix G. Details of the sums drawn in respect of remuneration in the period covered by this report are shown in the receipts and payments account at Appendix C.

Category 2 disbursements incurred in the period are detailed in Appendix F.

5.3 Expenses and disbursements

A statement of the expenses incurred during the period is attached at Appendix F. This includes all expenses incurred by the Joint Liquidators in the period of the report irrespective of whether they have been paid or not and may include estimated amounts where actual invoices have not been received. The receipts and payments abstract at Appendix C sets out the expenses actually paid in the period, together with cumulative figures.

5.3.1 Other professional costs

Whilst professional costs are not subject to approval by the relevant approving body, all professional costs are subject to review before being paid.

Mishcon de Reya LLP, solicitors, have been retained as legal advisors with regards to the aforementioned claim against Royal Mail. Their remuneration has been agreed on the basis of their standard hourly charge-out rates, plus VAT and disbursements, and their agreed fees of £8,525 plus VAT have been paid in the period.

Schofield Sweeney LLP, solicitors, have been retained as legal advisors in view of their general experience and expertise in these matters. They have advised the Joint Liquidators on the possibility of assigning the claim against Royal Mail to Movitex SAS so as to expedite the Liquidation process. Their remuneration has been agreed on the basis of their standard hourly charge-out rates, plus VAT and disbursements, and their agreed fees of £1,490 plus VAT have been paid in the period.

LRUK (Retail) Limited ("LRUK") were instructed to collect in the Company's outstanding debtors. Their remuneration was agreed on a percentage basis of 22.5%. LRUK have been paid £100,518 in the period.

6 Members' right to information and ability to challenge remuneration and expenses

In accordance with the provisions of the relevant legislation members have a right to request further information about remuneration or expenses and to challenge such remuneration or expenses.

A request for further information must be made in writing within 21 days of receipt of this report.

Members of the Company with at least 10% of the total voting rights of all members having the right to vote at general meetings of the Company, or any members with the permission of the court, may apply to court that the remuneration charged, the basis fixed or expenses incurred by the liquidator are in all the circumstances excessive.

Any such challenge must be made no later than eight weeks after receipt of the report which first discloses the charging of remuneration or incurring of the expenses in question.

If you would like a copy of A Shareholders Guide to Liquidator's Fees, please let me know.

Should you have any further queries please do not hesitate to contact me.



Gareth Harris
RSM Restructuring Advisory LLP
Joint Liquidator

Gareth Harris is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales
James Miller is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales
Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment

Appendix A

Statutory and other information

Company information	
Company name:	Movitex (UK) Limited
Previous company names:	Frank Fattorini & Son Limited Empire Shopper Limited
Company number:	00400458
Date of incorporation:	13 November 1945
Trading name:	Movitex (UK) Limited
Trading address:	2 Holdsworth Street, Bradford, West Yorkshire, BD1 4AH
Principal activity:	Retail sale via mail order houses or internet
Registered office:	RSM Restructuring Advisory LLP Central Square, 5th Floor, 29 Wellington Street, Leeds, LS1 4DL
Previous registered office:	2 Holdsworth Street, Bradford, West Yorkshire, BD1 4AH

Liquidation information		
Joint Liquidators:	Gareth Harris and James Miller	
Date of appointment:	17 October 2018	
Functions:	<p>The Joint Liquidators' appointment specified that they would have power to act jointly and severally.</p> <p>The Joint Liquidators' have exercised, and will continue to exercise, all of their functions jointly and severally as stated in the notice of appointment.</p>	
Correspondence address & contact details of case manager:	<p>Susannah Pettigrew 0113 285 5000 RSM Restructuring Advisory LLP, Central Square, 5th Floor, 29 Wellington Street, Leeds, LS1 4DL</p>	
Name, address & contact details of Joint Liquidators:	<p>Primary Office Holder:</p> <p>Gareth Harris</p> <p>RSM Restructuring Advisory LLP</p> <p>Central Square, 5th Floor, 29 Wellington Street, Leeds, LS1 4DL</p> <p>0113 285 5000</p> <p>IP Number: 14412</p>	<p>Joint Office Holder:</p> <p>James Miller</p> <p>RSM Restructuring Advisory LLP</p> <p>Central Square, 5th Floor, 29 Wellington Street, Leeds, LS1 4DL</p> <p>0113 285 5000</p> <p>IP Number: 21290</p>

Appendix B

Dividend prospects for creditors

Creditors	Owed	Paid to Date	Estimated future Prospects
Secured creditor	N/A	N/A	N/A
Preferential creditors	N/A	N/A	N/A
Unsecured creditors	£69,134	£31,223 paid on 23.11.18 £37,511 paid on 19.12.18 £400 paid on 30.09.20	Paid in full plus statutory interest of £581
Unsecured connected creditors	£1,130,142	£400,000 paid on 09.07.19 £400,000 paid on 06.12.19 £236,584 paid on 04.03.20 £93,558 paid on 22.09.20	£100,288.02 of statutory interest

Distributions made to shareholders

A. Cash Distributions

Date	£ per share	Total distributed
N/A	Nil	Nil

B. Distributions made 'in specie'

Date	Asset	Value	Basis of Valuation
N/A	None	Nil	N/A

Appendix C

Summary of receipts and payments

Movitex (UK) Limited In Liquidation Joint Liquidators' Summary of Receipts & Payments

Declaration of Solvency		From 17/10/2019 To 16/10/2020	From 17/10/2018 To 16/10/2020
£		£	£
	ASSET REALISATIONS		
	Assurant MPI Contributions	NIL	14,830.00
	Bank Interest Gross	536.29	1,597.50
1,046,118.00	Book Debts	360,439.92	1,345,496.97
132,758.00	Cash at Bank	NIL	132,758.00
	Claim against Redcats	236,583.56	236,583.56
52,650.00	Other Debtors	NIL	70,347.20
73,645.00	VAT debtor	NIL	58,174.57
		<u>597,559.77</u>	<u>1,859,787.80</u>
	COST OF REALISATIONS		
	Accounting Fees	2,800.00	14,650.00
	Bank Charges	35.48	57.48
	Corporation Tax	2,156.86	2,156.86
	Debt Collection Fees	100,517.94	306,000.96
	Debt Sale Costs	144.13	24,043.05
	Joint Liquidators' disbursements	3.39	305.65
	Legal Fees	10,014.60	40,276.60
	Post Appointment Liquidators' Fees	10,000.00	45,000.00
	PPI Redress Costs	NIL	12,177.79
	Pre Appointment Liquidators' Fees	NIL	6,000.00
	Statutory Advertising	811.98	811.98
	VAT - Irrecoverable	29,604.52	14,971.06
		<u>(156,088.90)</u>	<u>(466,451.43)</u>
	UNSECURED CREDITORS		
(1,130,142.00)	Associated Creditors	730,142.00	1,130,142.00
	Statutory Interest	62.60	580.56
(134,233.00)	Trade & Expense Creditors	400.00	69,134.30
		<u>(730,604.60)</u>	<u>(1,199,856.86)</u>
	DISTRIBUTIONS		
(600.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
40,196.00		<u>(289,133.73)</u>	<u>193,479.51</u>
	REPRESENTED BY		
	Current Account - RBS		178,947.53
	VAT Receivable		14,531.98
			<u>193,479.51</u>

Appendix D

RSM Restructuring Advisory LLP Charging, expenses and disbursements policy

Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time.
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators.
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate.
- Time is recorded in 6-minute units at the rates prevailing at the time the work is done.
- The current charge rates for RSM Restructuring Advisory LLP Leeds are attached.
- Time billed is subject to Value Added Tax at the applicable rate, where appropriate.
- It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it.
- RSM Restructuring Advisory LLP's charge out rates are reviewed periodically.

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate.
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to the relevant approving party, but do not require approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 1' disbursements.
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) or payments to outside parties that the firm or any associate has an interest, require the approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 2' disbursements.
- A decision regarding the approval of category 2 disbursements at the rates prevailing at the time the cost is incurred to RSM Restructuring Advisory LLP Leeds will be sought from the relevant approving party in accordance with the legislative requirements.
- General office overheads are not re-charged to the insolvency estate as a disbursement.
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of the relevant approving party.
- Expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate, where appropriate.

Appendix E

RSM Restructuring Advisory LLP Leeds current charge out and category 2 disbursement rates

Hourly charge out rates		
	Rates at commencement £	Current rates £
Partner	525	525
Directors / Associate Directors	305 – 405	305 – 405
Manager	260 – 285	260 – 285
Assistant Managers	N/A	220
Administrators	175 – 235	175 – 235
Support staff	95 – 130	70 – 130

Category 2 disbursement rates	
Internal room hire	£165
Subsistence	£25 per night
Travel (car)	42.5p per mile
'Tracker' searches	£10 per case

Appendix F

Statement of expenses incurred in the period from 17 October 2019 to 16 October 2020

Expenses (excluding category 2 disbursements) Type and purpose	£		Unpaid
	Incurred within period 17/10/19– 16/10/20	Paid to date	
Appointee disbursements:			
Postage	4	3	1
Sub Total	4	3	1
Appointee expenses:			
Accounting fees	2,800	2,800	-
Bank Charges	35	35	-
Corporation Tax	2,157	2,157	-
Debt Collection Fees	100,518	100,518	-
Debt Sale Costs	144	144	-
Legal fees	10,015	10,015	-
Statutory Advertising	812	812	-
Sub Total	116,481	116,481	-
Category 2 disbursements Recipient, type and purpose			
RSM Restructuring Advisory LLP - Appointee disbursements:			
RSM Restructuring Advisory LLP - Mileage	-	-	-
RSM Restructuring Advisory LLP - Tracker search	-	-	-
Total	116,485	116,484	1

Appendix G

Joint Liquidators' time cost analysis for the period from 17 October 2019 to 16 October 2020

Administration and Planning									
Case Management	2.0	1.5	0.7	0.0	17.7	1.5	23.4	£ 5,006.00	213.93
Director(s)/debtor/bankrupt	0.0	1.2	0.0	0.0	3.1	0.0	4.3	£ 1,111.00	258.37
Pension Scheme	0.0	0.0	0.0	0.0	0.3	0.0	0.3	£ 70.50	235.00
Receipts and Payments	0.6	1.4	0.0	0.0	31.3	0.0	33.3	£ 7,298.50	219.17
Tax Matters	0.1	2.1	0.6	0.0	23.2	0.0	26.0	£ 4,745.50	182.52
Total	2.7	6.2	1.3	0.0	75.6	1.5	87.3	£ 18,231.50	208.84
Realisation of Assets									
Assets - general/other	0.0	0.5	0.0	0.0	5.4	0.0	5.9	£ 1,461.50	247.71
Debtors & sales finance	0.4	2.1	0.0	0.0	14.4	0.0	16.9	£ 4,254.00	251.72
Sale of business	0.5	0.0	0.0	0.0	0.0	0.0	0.5	£ 262.50	525.00
Total	0.9	2.6	0.0	0.0	19.8	0.0	23.3	£ 5,978.00	256.57
Trading									
Trading	0.0	0.5	0.0	0.0	0.0	0.0	0.5	£ 192.50	385.00
Total	0.0	0.5	0.0	0.0	0.0	0.0	0.5	£ 192.50	385.00
Creditors									
Other Creditor Meetings and Reports	0.4	0.0	0.0	0.0	11.7	0.0	12.1	£ 2,460.00	203.31
Secured Creditors	0.0	0.0	0.0	0.0	0.6	0.0	0.6	£ 60.00	100.00
Unsecured Creditors	0.1	0.6	0.0	0.0	6.0	0.0	6.7	£ 1,322.50	197.39
Total	0.5	0.6	0.0	0.0	18.3	0.0	19.4	£ 3,842.50	198.07
Case Specific Matters - Shareholders									
Shareholders / Members	0.7	0.9	0.0	0.0	8.0	0.0	9.6	£ 2,594.00	270.21
Total	0.7	0.9	0.0	0.0	8.0	0.0	9.6	£ 2,594.00	270.21
Case Specific Matters - Legal Matters									
Legal Matters	0.0	0.2	0.0	0.0	1.7	0.0	1.9	£ 452.50	238.16
Total	0.0	0.2	0.0	0.0	1.7	0.0	1.9	£ 452.50	238.16
Total Hours	4.8	11.0	1.3	0.0	123.4	1.5	142.0	£ 31,291.00	220.36
Total Time Cost	£ 2,513.50	£ 4,172.00	£ 359.00	£ 0.00	£ 24,051.50	£ 195.00	£ 31,291.00		
Average Rates	523.65	379.27	276.15	0.00	194.91	130.00	220.36		