

## Section 106

## The Insolvency Act 1986

Return of Final Meeting in a  
Creditors' Voluntary Winding Up  
Pursuant to Section 106 of the  
Insolvency Act 1986

# S106

For Official Use

To the Registrar of Companies

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Company Number

01146611

Name of Company

CJ Broom &amp; Sons Limited

I / We  
Andrew McTear  
90 St Faiths Lane  
Norwich  
NR1 1NE

give notice

- 1 that a general meeting of the company was ~~held on~~/summoned for 04 January 2012 pursuant to section 106 of the Insolvency Act 1986, for the purpose of having an account (of which a copy is attached) laid before it showing how the winding up of the company has been conducted, and the property of the company has been disposed of and that the ~~same was done accordingly~~ / no quorum was present at the meeting
- 2 that a meeting of the creditors of the company was duly held on / ~~summoned for~~ 04 January 2012 pursuant to section 106 of the Insolvency Act 1986 for the purpose of having the said account laid before it showing how the winding up of the company has been conducted and the property of the company disposed of and that the same was done accordingly / ~~no quorum was present at the meeting~~

Signed

Date 04 January 2012

McTear Williams & Wood  
90 St Faiths Lane  
Norwich  
NR1 1NE

Ref CJBR983/AMCT/SA/VL

Software Supplied by Turnkey Computer Technology Limited Glasgow

For Official Use

Insolvency Sect

Post Room

FRIDAY



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13/01/2012

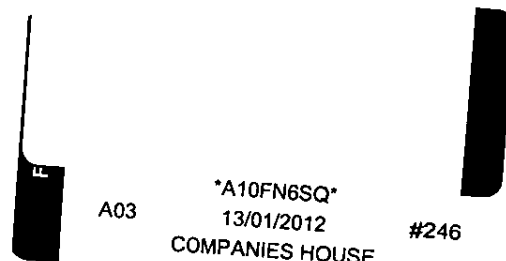
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COMPANIES HOUSE

Contact Victoria Lee  
Direct dial 01603 877548  
Email victoriale@mw-w.com

Your ref  
My ref amct/vl/sew/pf-e/cred040112

90 St Faiths Lane  
Norwich  
NR1 1NE  
Office 01603 877540  
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**To all known creditors/members**

4 January 2012

Dear Sirs

**CJ Broom & Sons Limited (in creditors' voluntary liquidation)**

I refer to my appointment as liquidator of the above company on 29 September 2010  
Pursuant to Section 106 of the Insolvency Act 1986 this is my final report to creditors

**1 Receipts and payments**

I enclose as Appendix 1 a copy of my final receipts and payments for the period 29 September 2010 to 4 January 2012

**2 Overview**

In my report to creditors dated 24 October 2011 I estimated that preferential creditors would be paid in full and unsecured creditors would receive a dividend of 15 pence in the pound taking into account the estimated costs of realisation and administration

As set out below the final outcome of the liquidation remains in line with this

**3 Assets**

**3.1 Acquisition of assets by a connected party**

In accordance with Statement of Insolvency Practice 13 I am required to disclose information to creditors regarding the sale of assets to any connected parties. Accordingly, I can report that the work in progress, stock, part exchange boat and brokerage commission were all sold to Broom Boats Limited ("BBL")

**3 2 Part exchange boat - BR 50 Phoenicia**

This was on finance with Lombard Marine Finance Limited who were owed £303,556  
The boat was sold to a customer for £330,000 and a surplus of £26,444 was received

**3 3 Cash at bank**

The company had cash at bank of £135,069 which was transferred to the liquidation account following my appointment. This included receipts of £25,025 relating to book debts shown on the directors' statement of affairs paid and banked prior to the liquidation

**3 4 Work in progress**

The company had some work in progress which related to a 395-52 boat. This has been sold to BBL for £100,000

**3 5 Part exchange boat**

This relates to a boat which was sold by the directors for £14,000

**3 6 Debtors**

The company had book debts with a book value of £63,000 and were expected to realise £45,000. A total of £11,252 has been received. Realisations are lower than originally stated as a debtor totalling £25,025 paid prior to my appointment (see 3 3 above) and other debts totalling £29,648 were written off as these were either disputed or they had a claim for set off as a creditor

**3 7 Stock**

The Company owned sundry stock with a book value of £10,000, this has been sold to BBL for £5,000

**3 8 Brokerage commission**

BBL have dealt with the company's brokerage sales and I have received £30,000 in relation to commission on these

**3 9 Preference claim**

Upon investigations it became apparent that prior to the company being sold the previous director repaid £90,000 to himself in respect of a short term loan advanced to the company. I instructed my solicitors, Leathes Prior to review this transaction and to advise whether this could be challenged as a preference under Section 239 of The Insolvency Act 1986. After extensive correspondence between myself, my solicitor and the previous director's solicitor an offer of £60,000 was offered in full and final settlement of the claim. To avoid extensive legal and Court fees this offer was accepted and payment was received on 13 May 2011

**3 10 Miscellaneous refunds**

Various refunds of prepayments have been received totalling £930

## **4 Creditors' claims**

### **4.1 Preferential creditors**

Preferential creditors of 42 former employees totalling £37,465 were paid 100 pence in the pound on 20 December 2010

### **4.2 Unsecured creditors**

The directors' statement of affairs showed 123 unsecured creditors with a book value of £2,591,000. 80 claims totalling £2,732,964 have been agreed. On 21 December 2010 unsecured creditors were paid 9 pence in the pound. A further second and final dividend of 5.1 pence in the pound was declared on 4 October 2011. BBL has received £9,326.93 on account of their final unsecured dividend of £12,182.05. The remaining balance of £2,855.12 will be paid from a VAT Bad Debt Relief Claim I have submitted to HM Revenue & Customs.

In accordance with Rule 11.7 of the Insolvency Act 1986 I am unable to declare any further dividend because the funds realised have already been distributed or used or allocated for defraying the expense of administration.

## **5 Directors conduct**

As required I have investigated the conduct of the directors and filed my report with the Department for Business Innovation & Skills. The content of that report is confidential.

## **6 Case control and strategy**

Following my appointment as liquidator I assign overall responsibility for the case to a case manager who is assisted by other staff as appropriate. At the commencement of the case I agree a written case strategy with the case manager. Bi-monthly progress reviews are held between the case manager and case administrator, monthly case updated meetings are held between the case manager and myself and six monthly formal strategy and statutory reviews are undertaken.

## **7 Statutory matters**

In accordance with Rule 4.49(5) of the Insolvency Rules 1986 I can confirm the following:

- Company name: CJ Broom & Sons Limited
- Registered office: 90 St Faiths Lane, Norwich, NR1 1NE
- Registered number: 01146611
- Liquidator: Andrew McTear
- Date of appointment: 29 September 2010

## 8 Remuneration disbursements and expenses

### 8.1 Remuneration and disbursements

At the creditors' meeting held on 29 September 2010 creditors approved my firm's costs of £8,500 plus VAT in respect of the section 98 meeting and that this should be settled from asset realisations. In addition creditors resolved that my remuneration as liquidator be fixed by reference to time properly spent in attending to matters arising in the liquidation.

Creditors also approved that time spent prior to the liquidation in dealing with assets or matters which would usually be dealt with in the liquidation of £6,745 will be treated as an additional pre appointment fee and may be paid from asset realisations in the liquidation.

In accordance with the above I have drawn the following remuneration and disbursements

**Figure 1: Summary of time costs**

	£	Hours	Amount charged and drawn £
Time costs to 24 October 2011	100,764	835	39,755
Disbursements	1,272	nil	1,272
	<u>102,036</u>	<u>835</u>	<u>41,027</u>
<i>Source Liquidator's records</i>			

Attached at Appendix 2 is a summary of my firm's total time costs for the period 29 September 2010 to 24 October 2011 the period of the liquidation. The more complex and time consuming areas of work carried out include paying a dividend to unsecured creditors and the collection of book debts.

A creditors' guide to liquidators fees in a liquidation and this firm's charging and disbursements policy can be found on our website [www.mw-w.com](http://www.mw-w.com) by clicking on creditor information and then fees and costs or can be requested from this office. Disbursements are recovered at cost. Our current charge out rates are partners £255, managers £185-£255, assistant managers £145, senior professionals £125, assistants £90, trainees £45. Our charge out rates are reviewed annually and since 1 January 2003 have increased by approximately 5% per annum.

## **8.2 Liquidation expenses**

The major areas of expenditure and the reasons why these were incurred were

- Broom Boats Limited were paid a total of £20,444 for commission on the brokerage sales of boats
- Leathes Prior Solicitors were instructed to deal with various legal matters including the agreement of creditors' claims, the collection of a disputed book debt and negotiating a settlement in respect of the preference claim. They have received a total of £9,597

Our choice of advisors was based on our perception of their experience and ability to perform the necessary work, the complexity and nature of the assignment and the basis of our fee arrangement with them

## **8.3 Further information**

Within 21 days from receipt of this report creditors may request further information about the remuneration and expenses set out in the report. The request must be made in writing and made either by a secured creditor or an unsecured creditor or creditors that total at least 5% in value of unsecured creditors or the permission of the Court. Other than in specific circumstances, which if applicable we would explain, we will provide this within 14 days.

In addition within 8 weeks of receipt of the report creditors may apply to Court to challenge the amount and/or basis of the liquidator's fees and the amount of any proposed expenses or expenses already incurred. The application may be made by a secured creditor, or by unsecured creditor(s) that total at least 10% in value of the creditors or with the permission of the Court.

## **9 Final creditors' meeting**

I enclose a notice convening a final meeting of creditors. A form of proxy is also enclosed. The purpose of the meeting is to pass the following resolutions:

- That the liquidator's final report and accounts presented to the meeting are hereby approved
- That the liquidator be granted his release

If you are unable to attend or do not wish to do so you may nominate a representative to attend the meeting by completing a general proxy. It is important that proxy forms are returned as soon as possible and no later than 12 noon on the working day before the meeting.

If you require any further information please do not hesitate to contact Victoria Lee at the above address

Yours faithfully

A handwritten signature in black ink, appearing to read 'A. McTear', with a long horizontal line extending to the right.

Andrew McTear  
*Liquidator*

Enclosures

**CJ Broom & Sons Limited**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**

Statement of Affairs		From 29/09/2011 To 04/01/2012	From 29/09/2010 To 04/01/2012
	<b>SECURED ASSETS</b>		
317,000 00	Part exchange boats - BR50 - Phoenix	NIL	330,000 00
		NIL	330,000 00
	<b>SECURED CREDITORS</b>		
(301,000 00)	Lombard North Central - stock finance	NIL	303,555 64
		NIL	(303,555 64)
	<b>ASSET REALISATIONS</b>		
5,000 00	Stock	NIL	5,000 00
100,000 00	Work in Progress	NIL	100,000 00
45,000 00	Book Debts	NIL	11,252 42
NIL	VAT Bad Debt Relief Claim	2,855 12	2,855 12
127,000 00	Cash at Bank	NIL	135,069 81
20,000 00	Part Exchange Boat	NIL	14,000 00
30,000 00	Brokerage Commission	NIL	30,000 00
	Bank Interest Gross	257 82	257 82
NIL	Misc refund	NIL	896 24
NIL	Insurance refund	NIL	34 26
NIL	Settlement of director's loan	NIL	60,000 00
		3,112 94	359,365 67
	<b>COST OF REALISATIONS</b>		
	DTI Cheque Fees	83 00	124 00
	BIS Fees	23 00	69 00
	Section 98 fee	NIL	8,500 00
	Pre apptment liquidation fees approve	NIL	6,745 00
	Office Holders Fees (post appointment	NIL	39,755 00
	Payments on account of disbursement	283 08	283 08
	Agents fees	NIL	20,444 36
	Legal Fees (1)	NIL	9,597 25
	Sundry expenses	213 82	213 82
	Corporation Tax	51 56	51 56
	VAT	56 62	56 62
	Stationery & Postage	NIL	148 97
	Bordereau	NIL	840 00
	Statutory Advertising	NIL	461 15
	Bank Charges	5 00	115 09
	DTI Unclaimed Dividends	NIL	29 10
		(716 08)	(87,434 00)
	<b>PREFERENTIAL CREDITORS</b>		
(50,000 00)	Liquidation Costs	NIL	NIL
(30,000 00)	Pref cred - E'ees wages/hol pay	NIL	(37,435 75)
		NIL	(37,435 75)
	<b>UNSECURED CREDITORS</b>		
(238,000 00)	Unsecured cred - Trade and expense	9,333 29	24,395 47
(350,000 00)	Unsecured cred - Employees	152 93	968 34
	Unsecured cred - RPO	23,794 10	62,824 32
(94,000 00)	Unsecured cred - PAYE/NIC	5,667 77	14,964 82
(1,034,000 00)	Unsecured cred - Broom Boats Limited	12,182 05	157,787 33
		(51,130 14)	(260,940 28)



**CJ Broom & Sons Limited**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**

<b>Statement of Affairs</b>		<b>From 29/09/2011 To 04/01/2012</b>	<b>From 29/09/2010 To 04/01/2012</b>
	<b>DISTRIBUTIONS</b>		
(875,000 00)	Subordinated Creditor	NIL	NIL
(2,000 00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(2,330,000.00)</b>		<b>(48,733.28)</b>	<b>(0.00)</b>
	<b>REPRESENTED BY</b>		
			<b>NIL</b>

# Time Entry - SIP9 Time & Cost Summary

CJB983 - CJ Broom & Sons Limited  
Project Code POST  
From 29/09/2011 To 24/10/2011

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Assistant Manager	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	2.00	3.90	9.90	8.10	0.60	24.50	2,991.00	122.08
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	1.00	5.00	3.20	1.70	0.00	10.90	1,733.00	158.99
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	0.00	1.50	0.00	0.00	1.50	187.50	125.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>3.00</b>	<b>8.90</b>	<b>14.60</b>	<b>9.80</b>	<b>0.60</b>	<b>38.90</b>	<b>4,911.50</b>	<b>133.10</b>
<b>Total Fees Claimed</b>							<b>39,765.00</b>	

**Notice of Final Meeting**

Pursuant to Section 106 of the Insolvency Act 1986

**IN THE MATTER OF CJ Broom & Sons Limited**

**AND**

**IN THE MATTER OF THE INSOLVENCY ACT 1986**

**NOTICE IS HEREBY GIVEN** that a Final Meeting of the Members of CJ Broom & Sons Limited will be held at 10 30am on 4 January 2012, to be followed at 11 00am on the same day by a meeting of the creditors of the company. The meetings will be held at 90 St Faiths Lane, Norwich, NR1 1NE

The meetings are called pursuant to Section 106 of the Insolvency Act 1986 for the purpose of receiving an account showing the manner in which the winding up has been conducted and the property of the company disposed of and of hearing any explanation which may be given by the liquidator and to pass the following resolutions

- That the liquidator's final report and accounts presented to the meeting are hereby approved
- That the liquidator be granted his release

A member or creditor entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member or creditor.

Proxies and proof of debts to be used at the meeting should be lodged at 90 St Faiths Lane, Norwich, NR1 1NE no later than 12 noon on the working day immediately before the meetings.

Andrew McTear  
Liquidator

Date 24 October 2011

**Note** Within 21 days from receipt of the final report creditors may request further information about the remuneration and expenses set out in the report. The request must be made in writing and made either by a secured creditor or an unsecured creditor or creditors that total at least 5% in value of unsecured creditors or the permission of the Court. Other than in specific circumstances, which if applicable we would explain, we will provide this within 14 days.

In addition within 8 weeks of receipt of the final report creditors may apply to Court to challenge the amount and/or basis of the liquidator's fees and the amount of any proposed expenses or expenses already incurred. The application may be made by a secured creditor, or by unsecured creditor(s) that total at least 10% in value of the creditors or with the permission of the Court.

## Proxy (Members' or Creditors' Voluntary Winding Up)

**CJ Broom & Sons Limited (in creditors' voluntary liquidation)**

Name of Creditor/Member \_\_\_\_\_

Address \_\_\_\_\_

Name of Proxy Holder

1 \_\_\_\_\_

2 \_\_\_\_\_

3 \_\_\_\_\_

Please insert name of person (who must be 18 or over) or the chairman of the meeting (see note below) if you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well

Please delete words in brackets if the proxy holder is only to vote as directed i.e. he has no discretion

I appoint the above person to be my/the creditor's/member's proxy holder at the meeting of creditors/members to be held on 4 January 2012, or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion)

Please complete paragraph 1 if you wish to nominate or vote for a specific person as liquidator

### Voting Instructions for resolutions

1 That the liquidator's final report and accounts presented at the meeting are hereby approved

FOR/AGAINST

2 That the liquidator be granted his release

FOR/AGAINST

Please delete words in brackets if the proxy holder is only to vote as directed i.e. he has no discretion. Any other resolutions which the proxy-holder is to propose or vote in favour of or against should be set out in numbered paragraphs in the space provided below paragraph 1. If more room is required please use the other side of this form.

This form must be signed

Signature \_\_\_\_\_ Date \_\_\_\_\_

Name in CAPITAL LETTERS \_\_\_\_\_

Only to be completed if the creditor/member has not signed in person

Position with creditor/member or relationship to creditor/member or other authority for signature \_\_\_\_\_

**Please note that if you nominate the chairman of the meeting to be your proxy-holder he will either be a director of the company or the current Liquidator. Remember there may be resolutions on the other side of this form**