

LIQ03

Notice of progress report in voluntary winding up



Companies House

SATURDAY



A04 *A7IWM5IY* 17/11/2018 #32
COMPANIES HOUSE

ase

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1 Company details

Company number 0 2 8 5 0 2 6 3

Company name in full Archworth Limited

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

2 Liquidator's name

Full forename(s) John Bell

Surname

3 Liquidator's address

Building name/number The Old Post Office

Street 63 Saville Street

Post town North Shields

County/Region Tyne & Wear

Postcode N E 3 0 1 A Y

Country

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator
Use this section to tell us about
another liquidator.

5 Liquidator's address ①

Building name/number

Street

Post town

County/Region

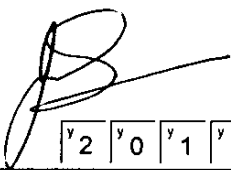
Postcode

Country

① Other liquidator
Use this section to tell us about
another liquidator.

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6	Period of progress report												
From date	^d 0	^d 8	^m 0	^m 3	^y 2	^y 0	^y 1	^y 7					
To date	^d 0	^d 7	^m 0	^m 3	^y 2	^y 0	^y 1	^y 8					
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 5	^m 1	^m 1	^y 2	^y 0	^y 1	^y 8					

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Notice of progress report in voluntary winding up



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	Malcolm Anderson
Company name	Hawdon Bell & Co.
Address	The Old Post Office
	63 Saville Street
Post town	North Shields
County/Region	Tyne & Wear
Postcode	N E 3 0 1 A Y
Country	United Kingdom
DX	
Telephone	0191 2571737



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

ARCHWORTH LIMITED
MEMBERS VOLUNTARY LIQUIDATION

FIRST ANNUAL PROGRESS REPORT TO THE MEMBERS OF ARCHWORTH LIMITED
FOR THE YEAR ENDED 7 MARCH 2018

INTRODUCTION

It is now more than a year since my appointment as liquidator of the above company at a meeting of the members held on 8 March 2017.

I now submit my first annual progress report for the year ending 7 March 2018.

STATUTORY INFORMATION

Name of Company:	Archworth Limited
Registered office:	The Old Post Office, 63 Saville Street, North Shields, Tyne & Wear, NE30 1AY
Former registered office:	The Coach House, Kitty Frisk, Hexham, Northumberland, NE46 1UN
Company Registration Number	02850263
Liquidator's name:	John Bell
Liquidator's address:	The Old Post Office, 63 Saville Street, North Shields, Tyne & Wear, NE30 1AY
Liquidator's date of appointment:	8 March 2017

Initial Assessment

The company was set up to facilitate the purchase and letting of 2 Ninth Avenue, Heaton. The business effectively ceased when the property was sold in December 2016 for £153,500. The net proceeds were paid into the company bank account held with Nat West Bank. Part of these proceeds was paid to the shareholders of the company prior to the liquidation in proportion to their shareholdings which created loan accounts due to the company.

The company held 7000 shares in Mindgate Limited which I proposed to dispose of by means of a distribution in specie to the members.

It had also previously owned 19,000 shares in Goodvalue Limited. This company had been placed into Members Voluntary Liquidation and a distribution of £28,500 had already been made to Archworth Limited, prior to its liquidation. There would be a final distribution from Goodvalue Limited.

The principal purposes of the liquidation were to obtain the funds in the company bank account, distribute the loan accounts in specie to the members, distribute the shares in Mindgate Limited to the members, collect the final distribution from Goodvalue Limited, to distribute the cash realised from the bank after payment of the costs and expenses of the liquidation and then to generally wind up the company in an orderly manner so that it could be dissolved and struck off the register.

In order to facilitate this, it would be necessary to arrange to draw up accounts and submit corporation tax returns for the year to 30 September 2016 and the period 1 October 2016 to 7 March 2017, the day before the date of liquidation. Any Corporation Tax and Capital Gains Tax due on the sale of the property and any uplift in value of the disposal of the shares in Goodvalue Limited and Mindgate Limited would be paid from the monies realised in the liquidation.

Actions since appointment

The work I have carried out in connection with the assets and liabilities of the company and other matters is set out elsewhere in this report.

There is certain work that I am required by the insolvency legislation to undertake in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since my appointment as Liquidator is as follows:

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up physical and electronic case files.
- Issuing the statutory notifications to creditors and others required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond.
- Convening and holding a general meeting of the Member.
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a monthly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing annual progress reports to Member.
- Filing returns at Companies House.
- Preparing and filing Corporation Tax returns.

RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 8 March 2017 to 7 March 2018 is attached.

The liquidation funds are held in an account with Barclays Bank plc which pays interest gross. I have received interest of £1.15.

ASSETS

Monies Held in the Company Bank Account with Nat West

I obtained the proceeds of the bank account on 18 April 2017 of £69,312.81. This compared with the figure £65,000 as shown in the Declaration of Solvency. The difference was because a cheque for £4,000 drawn on the account prior to the liquidation had not been cashed at the date of the liquidation. When the bank was informed of the liquidation they refused to honour the cheque. As soon as I received the proceeds of the company bank account I re-issued the cheque on the liquidation bank account.

Loans and Advances to Members

Cash advances from the proceeds of the sale of the property totalling £124,000 were made to members in proportion to their shareholdings prior to the liquidation and were shown in the Declaration of Solvency for this amount as Loans and Advances. Their value was realised by means of a distribution of loans in specie to the members in proportion to their shareholdings.

Shares in Mindgate Limited

The company owned 7,000 shares in Mindgate Limited. The cost of these shares in the company's accounts at the date of liquidation was £7,000. The actual value of these shares was estimated to be £36,000, as shown in the Declaration of Solvency. Their value was realised by means of a distribution of the shares in specie to the members in proportion to their shareholdings. The actual value of the shares distributed was £28,000. I have calculated that corporation tax will be payable on the uplift in their value which will be included in the company's tax computations for the year ended 7 March 2018.

Debtor

The company secretary administered the business of Archworth Limited through his company SCM. In the course of this various credits and debits had arisen. After discussions I agreed with him that there was a net amount of £1,736.94 owed by SCM to the company which I have now collected.

OTHER RECEIPTS

I have received several other receipts, as shown in the attached Receipts and Payments account which are self-explanatory.

LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has no current charges over its assets.

Other Creditors

There are no other creditors apart from corporation tax liabilities arising from the periods prior to the liquidation, as described below.

PRE-LIQUIDATION CORPORATION TAX

I arranged for the company's annual accounts to be drawn up for the year to 30 September 2016 and for the final period to 7 March 2017, prior to the liquidation. I also arranged for corporation tax returns for these periods to be submitted.

The corporation tax due for the year to 30 September 2016, which included tax payable on the uplift in value of the shares in Goodvalue Limited, was £587.20 which was paid on 27 June 2017. The figure of £3,000 shown in the Declaration of Solvency was an estimate based on figures available at the time. The corporation tax due for the period to 7 March 2017, which included the capital gains tax due on the sale of 2 Ninth Avenue, was £9,897.40 which was paid on 14 September 2017. The figure of £14,000 shown in the Declaration of Solvency was an estimate based on figures available at the time.

Previously there would be no interest payable on corporation tax payments such as these, provided they were paid within 9 months of the end of the period to which they related, which was the case above. HM Revenue and Customs have recently changed their interpretation of the relevant legislation. They now say that, because the tax relates to transactions carried out prior to the liquidation and therefore is in effect a liability of the company at the date of liquidation, interest is due on these payments from the date of liquidation up to the date on which they are actually paid, and this at the statutory rate of interest of 8%. This interpretation has not yet been challenged in Court. As a result, I consider that I am obliged to pay the statutory interest. The amount due has been calculated at £426.44 which I will pay in due course. I would advise members that since the date of this report I have received a sum of £11.52 from HM Revenue & Customs in respect early payment of Corporation Tax as I made the payments within the usual 9 months!!

POST-LIQUIDATION CORPORATION TAX

I will submit a corporation tax return for the year to 7 March 2018. Corporation tax will be due on bank interest earned during the liquidation and on the uplift in value of the Mindgate Limited shares. The tax due in respect of this has been calculated at £2,970.80. The figure of £5,900 shown in the Declaration of Solvency was an estimate based on figures available at the time. The tax due relates to transactions after the liquidation and will be paid as an expense of the liquidation. Therefore, provided it is paid within 9 months, it will not attract any interest.

DISTRIBUTIONS

I have made the following distributions to the members in respect of their holding of 62,000 ordinary £1 shares:

<u>Date</u>	<u>Amount Per share</u>	<u>Value Distributed</u>	
	£	£	
8 March 2017	2.00	124,000	In Specie
27 April 2017	0.60	37,200	
20 July 2017		12,300	In cash
	<u>0.65</u>	<u>28,000</u>	In specie
Total	<u>3.25</u>	<u>201,500</u>	

PRE-APPOINTMENT REMUNERATION

The Board previously authorised the payment of a fee of £1000 plus VAT for preparing the Declaration of Solvency, producing and circulating the notices for the meeting of Members prior to my appointment at a meeting held on 9 February 2017. This fee has been paid in full from the liquidation funds.

LIQUIDATORS' REMUNERATION

My remuneration was previously authorised by Members at a meeting held on 8 March 2017 on a fixed fee basis of £2,000 plus VAT of which, to date, I have drawn £1000 from the liquidation funds. I will draw a further £1,000 before I complete my administration of the liquidation.

A copy of 'A Members' Guide to Liquidators' Fees' is enclosed together with the Hawdon Bell & Co.'s Practice Fee Recovery Policy statement.

LIQUIDATORS' EXPENSES

My expenses incurred during the liquidation to date and are as follows:

	£
Liquidator's Insurance Bond Premium	255
Statutory Adverts in London Gazette	254
Oath Fee	10
Preparation of Final Accounts and Submission of CT600	<u>870</u>
	<u>1,389</u>

I would comment as follows:

The bond premium of £255 was noted in the minutes of the meeting of members held on 8 March 2017.

The estimate for statutory advertising was originally £338 as stated in my letter to members dated 9 February 2017. The estimate included a provision for the advertisement in the London Gazette of a final meeting of members which under the new Insolvency Rules is no longer necessary. I do not consider that there will be any further advertising expenses.

Normally expenses do not have to be approved by members. However, because the accounts and CT600 work has been carried out by Bell Tindle Williamson LLP, a firm connected to Hawdon Bell & Co. by reason of having common partners, the estimated fee of £700 was originally approved by means of a resolution of the members passed at the meeting held on 8 March 2017. As Bell Tindle Williamson LLP were the company's accountants I considered that it represented best value and service for carrying out the work.

However, the actual fees for this work totalled £870 as shown in the Receipts and Payments account. I obtained approval for this increase by means of a telephone call with Raymond Crawford.

All expenses have been paid in full from liquidation funds. I do not anticipate that there will be any further expenses in the liquidation.

FURTHER INFORMATION

A Member may, with the permission of the court or with at least 5% of the total voting rights of all the Members having the right to vote at general meetings of the company request further details of the liquidator's remuneration and expenses, within 21 days of receipt of this report.

A Member may, with the permission of the court or with at least 10% of the total voting rights of all the Members having the right to vote at general meetings of the company, apply to Court to challenge the amount of remuneration charged by the liquidator as being excessive, and/or the basis of the liquidator's remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report.

To comply with the Provision of Services Regulations, some general information about Hawdon Bell & Co. can be found in the attached summary sheet.

CONCLUSION

After I have paid the Corporation Tax which due and taken my final remuneration I will issue a draft final report. There will be sufficient funds remaining in the liquidation to make a small distribution to the members which I will do at the same time I issue my draft final report.

If members have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Malcolm Anderson on 0191 2571737, or by email at malcolm.anderson@btw.uk.com.

John Bell
Liquidator

ARCHWORTH LIMITED
MEMBERS VOLUNTARY LIQUIDATION

Summary of receipts and payments for the period 8 March 2017 (date of liquidation) to 7 March 2018

	Per Declaration of Solvency £	Realisations £	£
<u>Realisations</u>			
Balance at Nat West Bank	65000.00	69312.81	
Shares in Mindgate Limited	36000.00	28000.00	
Loans and Advances to Members	124000.00	124000.00	
	<u>225000.00</u>	<u>221312.81</u>	
<u>Other Receipts</u>			
Bank Interest		1.15	
Debtor		1736.94	
Dividend from Goodvalue Limited		2140.40	
Dividend from Mindgate Limited		<u>1400.00</u>	
		5278.49	
		<u>226591.30</u>	
<u>Less Cost of Realisation of Assets</u>			
Liquidator's Insurance Bond Premium (£250,000)		255.00	
		<u>226336.30</u>	
<u>Less Costs & Expenses of Liquidation</u>			
Statutory Advertisements in London Gazette	253.80		
Oath fee	10.00		
Bell Tindle Williamson LLP - Accounts and CT600 to 30.09.2016	570.00		
Bell Tindle Williamson LLP - Accounts and CT600 to 07.09.2017	300.00		
Irrecoverable VAT	<u>675.76</u>		
		1809.56	
		<u>224526.74</u>	
<u>Other Payments</u>			
Reissue of Unpaid Cheque		4000.00	
		<u>220526.74</u>	
<u>Less Fees and Expenses Payable to Hawdon Bell & Co</u>			
Preparation of Declaration of Solvency and Convening Meeting of Members	1000.00		
Liquidators Remuneration	<u>1000.00</u>		
		2000.00	
		<u>218526.74</u>	
<u>Creditors</u>			
Corporation Tax to 30.09.2016 - Paid on 27 June 2017 at 100p in £	587.20		
Corporation Tax to 07.03.2017 - Paid on 14 September 2017 at 100p in £	<u>9897.40</u>		
		10484.60	
<u>Carried Forward</u>		<u>208042.14</u>	

ARCHWORTH LIMITED
MEMBERS VOLUNTARY LIQUIDATION

Summary of receipts and payments for the period 8 March 2017 (date of liquidation)
to 7 March 2018.

	£	£
<u>Brought Forward</u>		208042.14
<u>Less Distributions to Shareholders</u>		
Class of Share: Ordinary share, £1 Nominal Value		
8 March 2017 - 1st Distribution in Specie at £2.00 per Share	124000.00	
27 April 2017 - 2nd Distribution at 60p per Share	37200.00	
20 July 2017 - 3rd Distributuion in Cash and in Specie at 65p per Share:		
Cash	12300.00	
Shares	<u>28000.00</u>	
		201500.00
<u>Liquidation Funds as at 7 March 2018</u>		<u><u>6542.14</u></u>
<u>Liquidation Funds Represented By:</u>		
Interest Bearing Bank Account with Barclays Bank plc		<u><u>6542.14</u></u>