

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 03005208

Company name in full Dainty Supplies Limited

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

2 Liquidator's name

Full forename(s) Chris

Surname Ferguson

3 Liquidator's address

Building name/number RMT

Street Gosforth Park Avenue

Post town Newcastle upon Tyne

County/Region Tyne & Wear

Postcode NE128EG

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 ②

Building name/number

Street

Post town

County/Region

Postcode

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 6	^m 0	^m 1	^y 2	^y 0	^y 2	^y 0
To date	^d 1	^d 5	^m 0	^m 1	^y 2	^y 0	^y 2	^y 1

7 Progress report

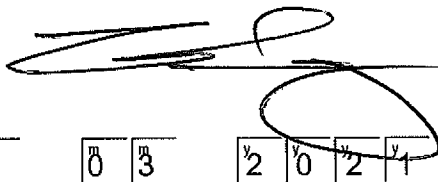
☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 1	^d 1	^m 0	^m 3	^y 2	^y 0	^y 2	^y 1
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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 **Tracy E. Johnstone**

Company name **RMT Accountants and Business
Advisors Ltd**

Address **Gosforth Park Avenue
Newcastle Upon Tyne**

Post town **NE12 8EG**

County/Region

Postcode

Country

DX

Telephone **0191 256 9500**



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

Dainty Supplies Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs £	From 16/01/2020 To 15/01/2021 £	From 16/01/2020 To 15/01/2021 £
	ASSET REALISATIONS	
	Bank Interest Gross	22.54
396.00	Book Debts	334.69
43,026.06	Cash in hand - HSBC Bank	42,785.08
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2,391.00	Equipment, Plant & Machinery, Fixture	300.00
11,271.00	Stock	39,323.00
		<u>83,985.42</u>
	COST OF REALISATIONS	
	Agents/Valuers Fees	270.38
	Asset Realisations - 15%	45.00
	Auctioneer's Charges and Commission	9,714.63
	Bordereau Premium	110.00
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	Travel	35.63
		<u>(53,558.52)</u>
	PREFERENTIAL CREDITORS	
(2,728.27)	Employee Arrears/Hol Pay	NIL
		<u>NIL</u>
	UNSECURED CREDITORS	
(161,995.07)	Employees	NIL
(46,973.95)	HMRC	NIL
(108,992.45)	Trade & Expense Creditors	NIL
		<u>NIL</u>
	DISTRIBUTIONS	
(28,734.00)	Ordinary A Shares	NIL
(162,823.00)	Ordinary Shareholders	NIL
		<u>NIL</u>
(453,942.57)		30,426.90
	REPRESENTED BY	
	Appointee Bank Account	27,449.04
	Vat Payable	(7,847.80)
	Vat Receivable	10,490.97
		<u>30,092.21</u>

Dainty Supplies Limited in Liquidation
Progress Report To Members & Creditors
For the period 16th January 2020 to 15th January 2021

1 Introduction

- 1.1 As you are aware I was appointed as Joint Liquidator of the above company, together with Linda Farish, on 16th January 2020 . Linda Farish ceased to act as liquidator on 4th June 2020 following her resignation from RMT. A copy of the Court order is attached.
- 1.2 I summarise our conduct of the liquidation to date below.

2 Receipts & Payments Account

- 2.1 I attach a receipts and payments account for the period being the 1st year of the liquidation.
- 2.2 The funds in this assignment are held in an interest bearing account.

3 Statutory Information

Company name: Dainty Supplies Limited

Registered office: RMT, Gosforth Park Avenue, Newcastle upon Tyne, NE12 8EG

Former registered office: Unit 35 Phoenix Road, Crowther Industrial Estate, Washington, NE38 0AD

Registered number: 03005208

Liquidator's name: Christopher Ferguson. E: Chris.ferguson@r-m-t.co.uk T: 0191 256 95 00

Liquidator's address: RMT, Gosforth Park Avenue, Newcastle upon Tyne, NE12 8EG

Liquidators' dates of appointment: Linda Farish: 16th January 2020, Resigned 4th June 2020

Christopher Ferguson: 16th January 2020

Liquidators' Actions Since Appointment

4 Leasehold Premises

- 4.1 The liquidators investigated the position of the lease and no value could be realised for the benefit of the creditors. The lease was disclaimed shortly after our appointment.

5 Book Debt

- 5.1 Book debts were estimated to realise £396.00. Funds of £334.69 were paid to the Company bank account. No further realisations are anticipated.

6 Cash at Bank

- 6.1 Following our appointment funds of £43,119.77, inclusive of the funds at paragraph 5.1, held in the Company's bank account, were paid to the liquidation account.

7 Cash in Hand

- 7.1 A total of £1,220.11 from till floats and petty cash was paid to the liquidation account.

8 Stock, Plant & Machinery

- 8.1 The company's stock, plant and machinery was disposed of by agents acting on our behalf at an on-site auction and realised £39,623.00, compared with £13,662.00 in the Statement of Affairs.

9 "Prescribed Part"

- 9.1 There are provisions of the insolvency legislation that require a Liquidator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property" ("prescribed part"). A Company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. Any costs of the liquidation that are payable before the Liquidator has reached a position to make a distribution to the floating charge holder have to be deducted from floating charge realisations before arriving at an amount for the "net property" of the Company.

As a result, the costs associated with realising floating charge assets, paying preferential claims in full, the general costs of winding up and the costs of confirming the validity of the floating charge will have to be deducted before the "net property" is calculated. The "prescribed part" that the Liquidator then has to set aside for unsecured creditors is:

The prescribed part is as follows:-

- 50% of the first £10,000 of the net property of the company if the net assets are in excess of the £10,000
- 20% of the property thereafter, subject to a limit of £600,000

As there are no charges registered over the assets of the Company, the prescribed part provisions will not apply.

Liabilities & Dividend Prospects

10 Secured Liabilities

- 10.1 An examination of the company's mortgage register held by the Registrar of Companies, showed that no debentures have been granted

11 Preferential Creditors

- 11.1 The statement of affairs anticipated £2,728.27 in preferential creditors. Claims totaling £3,653.67 have been received. I have recently been made aware that there are potential additional claims estimated at £8,000.00 in respect of holiday pay owed to 4 longstanding employees who worked one year in arrears in respect of holiday pay.
- 11.2 It is currently anticipated that there will be a dividend payable to the preferential creditors. However, I am unable to advise the level of dividend until the claims above at 11.1 have been investigated and agreed.

12 Crown Unsecured Creditors

- 12.1 The statement of affairs included £35,884.57 owed to HMRC. HMRC's claim has not been received.
- 12.2 I am unable to advise if a dividend will be payable to the unsecured creditors until the matter at 11.1 have been established and the matter at paragraph 18 in respect of post liquidation rent has been concluded.

13 Other Unsecured Creditors

- 13.1 The statement of affairs included 75 unsecured creditors with an estimated total liability of £108,992.45. I have received claims from 27 creditors at a total of £46,979.64. I have not received claims from 48 creditors with original estimated claims in the statement of affairs of £63,339.69. I have received claims from 10 creditors not included in the original statement of affairs with a total liability of £21,098.29.
- 13.2 I am unable to advise if a dividend will be payable to the unsecured creditors until the claim at 11.1 have been established and the matter at paragraph 18 in respect of post liquidation rent has been concluded.

14 Investigation into the Affairs of the Company

- 14.1 We undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved.

There were no matters that justified further investigation in the circumstances of this appointment.

- 14.2 Within three months of appointment, a liquidator is required to submit a confidential report to the Secretary of State to include any matters which have come to his attention during the course of his work which may indicate that the conduct of any past or present Director would make him unfit to be concerned with the management of the Company. I would confirm that our report has been submitted.

15 VAT

- 15.1 VAT is reclaimable in full on this assignment.

16 Pre-Appointment Remuneration

- 16.1 The board had previously authorised the payment of a fee of £6,000.00 plus VAT and expenses for assistance with preparing the statement of affairs, producing and circulating the notices to members and creditors and arranging the decision procedure for creditors to appoint a liquidator.
- 16.2 This was confirmed by creditors at the Virtual Meeting on 16th January 2021.
- 16.3 The fee for preparing the statement of affairs and convening the meetings was paid from first realisations on appointment and is shown in the enclosed receipts and payments account.

17 Liquidators' Remuneration

- 17.1 Our remuneration was authorised by written resolution passed by Creditors on 11th February 2021. The basis of our remuneration was fixed on differing bases summarised as follows:-

17.2 Fixed Fee Basis

We were authorised to draw a fixed fee of £15,000.00 for our work in respect of Statutory; Administration & Planning.

£10,000.00 has been drawn to date.

There is certain work that we are 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 our appointment as Liquidators is summarised below:

Administration and planning:

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/electronic case files.

Setting up the case on the practice's electronic case management system and entering data.

Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.

Obtaining a specific penalty bond.

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 quarterly 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 creditors and members.

Filing returns at Companies House.

Preparing and filing Corporation Tax returns.

Seeking closure clearance from HMRC and other relevant parties.

Preparing, reviewing and issuing final reports to creditors and members.

Obtaining deemed consent to concluding my administration of this matter.

Filing final returns at Companies House.

Time Cost - Creditors

We were authorised to draw time costs for our work in respect of creditors. This approval was based on our fees estimate of £8,976.00. The fees estimate acts as a cap and we cannot draw remuneration in excess of that estimate without first seeking approval from the creditors. Our total time costs for such work to 15th January 2021 amount to £11,664.00, representing 53.60 of hours work at an average charge out rate of £217.61 per hour. The actual average charge out rate incurred compares with the estimated average charge out rate of £216.28 in our fees estimate.

£8,976.00 has been drawn to date in respect of work done for which our fees were approved on a time cost basis.

I attach at Appendix I a schedule of our time costs incurred to date.

I am seeking an increase in the amount of remuneration that I can draw in this case.

Additional work in relation to dealing with creditor matters has been undertaken that was not envisaged when we issued our fee estimate. Namely there were significantly more reservation of title claims to deal with and adjudicate, work in respect of dealing with the landlord and substantially more time spent dealing with employee claims.

Our time costs estimated for work carried out in respect of creditors was initially £8,975.50. At the date of publication of this report our total costs incurred are £14,398.00. I propose an increase in our fee estimate by £7,000.00 to cover both additional costs incurred to date and future costs occasioned by the adjudication and agreement of creditors' claims and dividend distribution.

I anticipate that there will be further time costs in addition to this to complete work to agree non preferential unsecured creditors. However, I would not propose to seek an increase in respect of these costs.

There is certain work that we are 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 our appointment as Liquidators is summarised below:

- Obtaining information from the case records about employee claims.
- Completing documentation for submission to the Redundancy Payments Office.
- Corresponding with employees regarding their claims.
- Liaising with the Redundancy Payments Office regarding employee claims.
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Issuing a notice of intended dividend and placing an appropriate gazette notice.
- Reviewing proofs of debt received from creditors

Time Cost – Investigations

We were authorised to draw time costs for our work in respect of investigations. This approval was based on our fees estimate of £2,237.00. The fees estimate acts as a cap and we cannot draw remuneration in excess of that estimate without first seeking approval from the creditors.

Our total time costs for such work to 15th January 2021 amount to £2,114.00, representing 10.10 of hours work at an average charge out rate of £203.27 per hour. The actual average charge out rate incurred compares with the estimated average charge out rate of £2,237.00 in our fees estimate.

£2,114.00 has been drawn in respect of work done for which our fees were approved on a time cost basis.

There is certain work that we are 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 our appointment as Liquidators is summarised below:

- Review of last annual formal accounts.
- Comparison of last annual formal accounts with Statement of Affairs.
- Review of level of deficiency in period to liquidation since the last formal accounts.
- Compile details of antecedent transactions, misfeasance, preferences or transactions at undervalue identified from the initial review.
- Advising creditors to provide information or concerns regarding a director's conduct.
- Devising an appropriate strategy on any matters arising from the initial review in order to report to creditors.
- Review of level of Crown Debt.
- Review of aged creditor profile.
- Review of bank statements, cheque books, returned cheques, and other matters required.
- Review of emoluments and other benefits to directors.
- Review of any inter-company or associated creditors trading.
- Compiling directors' investigation guide to establish whether a report or return is required.
- Submission of directors' report and return under The Company Directors' Disqualification Act 1986

Percentage Basis – Realisation of Assets

Finally, we were also authorised to draw a percentage of realisations for our work in respect of the realisation of the Company's assets. Based on realisations achieved to date I am entitled to remuneration as follows:

20% of realisations of stock – based on realisations of £39,323.00 achieved to date I am entitled to remuneration of £7,864.60. I have drawn £7,864.60 in respect of work done for which my fees were approved as a 20% of realisations.

10% of realisation of cash - based on realisations of £44,339.88 achieved to date I am entitled to remuneration of £4,433.99. I have drawn £4,339.88 in respect of work done for which my fees were approved as a 10% of realisations.

15% of realisation of other assets - based on realisations of £300.00 achieved to date I am entitled to remuneration of £45.00. I have drawn £45.00 in respect of work done for which my fees were approved as a 15% of realisations.

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 summarised below:

Arranging suitable insurance over assets.

Regularly monitoring the suitability and appropriateness of the insurance cover in place.

Corresponding with debtors and attempting to collect outstanding book debts.

Liaising with the bank regarding the closure of the account.

Instructing agents to value known assets.

Liaising with agents to realise known assets.

- 17.3 Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Liquidators' Fees' published by the R3, together with an explanatory note which shows RMT's fee policy are available at the link

[https://www.r3.org.uk/media/documents/publications/professional/Guide to Liquidators Fees - April 2017.pdf](https://www.r3.org.uk/media/documents/publications/professional/Guide%20to%20Liquidators%20Fees%20-%20April%202017.pdf)

Please note that there are different versions of the Guidance Notes, and in this case you should refer to the April 2017 version.

18 Liquidator's Expenses

Expenses of £4,140.28 have been incurred in the period since our appointment compared to our estimated expenses of £854.50, plus anticipated future expenses of £370.00 in our fee approval report. I have drawn £4,140.28 in this matter.

As you can see from the information provided in this report, the expenses that have been incurred in this matter have exceeded the total expenses we estimated we would incur when our remuneration was authorised by the creditors. This arose as we did not initially anticipate the timescale required to prepare the stocks and other assets for sale by on-site auction, and the rent payable during that period.

A proposal was made to the landlord with a charging mechanism for payment of rent based on the outcome of the sale of assets on site. No response was received prior to the auction and the sum calculated at £2,689.70 was paid.

The landlord subsequently issued a rent account based on full rent in the period of occupation by the company post liquidation claiming that the proposal had not been accepted. The liquidators' payment based on the proposal was subsequently banked by the landlord which I believe confirms the acceptance of the position.

Since then I have received no further correspondence from the landlord.

Additionally, our estimate did not account for costs to wind up the company's employee pension scheme with NEST.

The following expenses have been incurred in the period since our appointment as Liquidators:

Type of expense	Original Estimate	Incurred and paid in reporting period	Anticipated future expenses
AON Ltd - Bond	£110.00	£110.00	-
AON Ltd - Insurance	£250.00	£190.40	-
Courts – Statutory Advertising	£283.50	£276.84	£94.50
Pension Scheme	£0.00	£200.00	-
Mail redirection	£211.00	£211.00	-
Uplift & storage of books & records	£370.00	£426.71	£120.00
Travel	£0.00	£35.63	-
Rents payable*	£0.00	£2,689.70	-

I have used the following agents or professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
Lithgow Sons & Partners	Valuation/Auctioneer	Percentage of realisations
Bradley Hall	Valuation of Lease	Fixed Fee

The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money. I have reviewed the charges they have made and am satisfied that they are reasonable in the circumstances of this case.

Professional Advisor	Amount incurred and paid	Estimated future expenses
Lithgow Sons & Partners	£9,714.63	-
Bradley Hall	£270.38	-

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at <https://www.r3.org.uk/what-we-do/publications/professional/fees>. There are different versions of these Guidance Notes, and in this case please refer to the April 2017 version. Please note that I have also provided further details in the practice fee recovery sheet.

In order to comply with the Provision of Services legislation, we inform you that the Practice's Professional Indemnity Insurance is provided by Prosure Solutions Limited. This professional indemnity insurance provides worldwide coverage.

At RMT we always strive to provide a professional and efficient service, however we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time.

If you should have cause to complain about the way that we are acting, you should, in the first instance, put details of your complaint in writing to our complaints officer Mike Pott, Managing Director. This will formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a senior director unconnected with the appointment.

19 Further Information

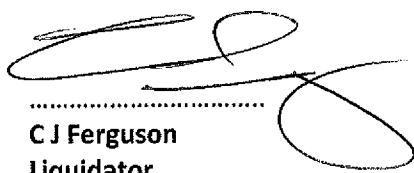
- 19.1 An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), 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, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

20 Summary

- 20.1 I am in the process of agreeing the preferential claims and expect to pay the distribution to them shortly.

Whether I am able to declare a dividend to the unsecured creditors will be dependent upon agreement of preferential claims recently advised to me and conclusion of the position with the landlord. However, I hope to be in a position to conclude all outstanding matters within the next 9 months.



C J Ferguson
Liquidator
11th March 2021

Dainty Supplies Limited
(In Liquidation)
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	Appointee Bank Account	27,449.04
	Vat Payable	(7,847.80)
	Vat Receivable	10,490.97
		<u>30,092.21</u>

RMT

Time & Chargeout Summaries

Date To: 15th January 2021

Company: Dainty Supplies Limited in liquidation

Classification of Work Function	Estimated			Actual		
	Total Hours	Time Cost £	Average hourly rate £	Total Hours	Time Cost £	Average hourly rate £
Investigations	9.45	2,237.00	236.72	10.10	2,114.00	203.27
Creditors	41.50	8,975.50	216.28	53.60	11,664.00	217.61
Total	50.95	11,212.50		63.70	13,778.00	