

**The Insolvency Act 1986****Liquidator's Progress  
Report****S.192****Pursuant to Sections 92A and 104A  
of the Insolvency Act 1986**

For Official Use

To the Registrar of Companies

Company Number

03079131

Name of Company

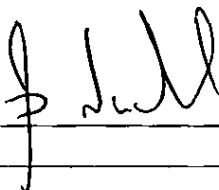
Mostyn House School

I / We  
Kerry Bailey  
3 Hardman Street  
Spinningfields  
Manchester  
M3 3HF

Jonathan D Newell  
5 Temple Square  
Temple Street  
Liverpool  
L2 5RH

the liquidator(s) of the company attach a copy of my/our progress report  
under section 192 of the Insolvency Act 1986

Signed



Date

14 Sept 2011

PKF (UK) LLP  
3 Hardman Street  
Spinningfields  
Manchester  
M3 3HF

Ref 4015869/KFB/JDN/JCT/AB

For Official Use

Insolvency Sect

Post Room

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16/09/2011

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COMPANIES HOUSE



Accountants &  
business advisers

## TO ALL MEMBERS AND KNOWN CREDITORS

Our Ref 4015869/JDN/JCT/CVL2404/

23 August 2011

Dear Sirs

### **Mostyn House School - In Liquidation**

#### **Annual report to creditors pursuant to Rule 4.49C of the Insolvency Rules 1986**

Please find following the draft final report on the conduct of the liquidation for the period from 12 July 2010 to 11 July 2011

The following schedules are attached to this report

- 1 Statutory information
- 2 An abstract of the joint liquidators' receipts and payments account for the period of the report

### **General overview**

On 12 July 2010, Kerry Bailey and I were appointed Joint Liquidators of the company following meetings of members and creditors pursuant to Section 98 of the Insolvency Act 1986. The nature of the business of the company was that of a private school. The company, which was incorporated on 12 July 1995, traded from premises at Parkgate, South Wirral, Cheshire CH64 6SG. Trading ceased at the end of the school year 2009/10.

### **Progress of the administration**

Since the appointment of the joint liquidators on 25 May 2010, all assets have been realised in full (as detailed below) and the appropriate returns and filing prescribed by statute have been completed.

### **Asset realisations**

Realisations of the assets in this case have exceeded the amounts estimated in on the Director's

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PKF (UK) LLP | 3 Hardman Street | Spinningfields | Manchester | M3 3HF

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A list of members' names is open to inspection at Farningdon Place, 20 Farningdon Road, London EC1M 3AP, the principal place of business and registered office. PKF (UK) LLP is authorised and regulated by the Financial Services Authority for investment business activities. PKF (UK) LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Statement of Affairs, further details of which are on the attached Receipts and Payments Account. In particular the furniture and equipment which was envisaged to realise £4,250 according to a professional valuation ultimately achieved £6,428. The vehicles belonging to the school realised £4,535 against an estimated outcome of £4,000.

In addition to the above amounts, debts due to the school of £3,730 were collected which had not been considered as certain in the Statement of Affairs, and a successful Rates appeal was made which resulted in a net recovery of £5,491 after payment of agent's commission. A small refund of £24 has been received, with net bank interest of £14.

There are further realisations expected by way of refunds from United Utilities of £1,280.

One of the Directors of the company advanced £20,000 as a contribution to the costs of the liquidation.

#### **Costs incurred other than liquidator expenses**

There have been no significant costs incurred in this matter, other than the joint liquidators' expenses, further details of which are included later in this report.

#### **Creditor claims**

Barclays Bank plc held fixed charge security on the school premises in respect of the overdraft of £143,223 and have been repaid in full from the sale of the premises. This is not disclosed on the accompanying Receipts and Payments account as the premises were not owned by the Company.

The Statement of Affairs sworn by the Director at the date of appointment included non-preferential creditors totalling £91,200. Claims received and processed by the Redundancy Payments office actually total £118,098. There are insufficient realisations to make a distribution to preferential creditors.

#### **Distributions**

On 23 August 2011, notice was issued to all creditors under Rules 11.7 and 4.186 of the Insolvency Act 1986 to the effect that there are insufficient funds in this matter to allow for a distribution to any class of creditor in this case.

Section 176A of the Insolvency Act 1986 requires liquidators to set aside a prescribed proportion of the Company's 'net property' towards the satisfaction of unsecured, non-preferential claims. Net property is the amount of property that would otherwise be available to holders of debentures secured by, or holders of, any floating charge created by the Company after 15 September 2003.

As there is no distribution to any floating charge creditor in this case, the prescribed part requirements are not applicable.

#### **Remuneration and disbursements**

At the meeting of creditors held on 12 July 2010 a resolution was passed that PKF (UK) LLP be paid £7,500 plus VAT and disbursements for assisting the Directors to convene the meetings of members and creditors and placing the Company into liquidation. This fee has been drawn during the period.

At the same meeting, it was also resolved that the Joint Liquidators' remuneration be fixed by reference to the time properly given in attending to matters arising in the liquidation at PKF (UK) LLP's usual charge out rates.

The time costs incurred in the period 12 July 2010 to 11 July 2011, being the whole period of the liquidation, amount to £28,221 which represents 154.86 hours at an average hourly rate of approximately £182 per hour.

The charge-out rates for the period are detailed below

<b>Staff Grade</b>	<b>Average Chargeout Rates (£ per hour)</b>
Partner / Director	£307 - £405
Senior Manager/Manager	£198 - £291
Supervisor / Senior Administrator	£160 - £175
Administrator/Support Staff	£46 - £150

Against these costs, I have drawn fees of £4,000 plus VAT. Any remaining time costs will be written off.

These amounts are derived from PKF (UK) LLP's normal rates for time properly spent by the liquidators and their staff in attending to matters arising in the liquidation. Where members of staff have been employed on this case they have been so based on their experience and abilities in dealing with a case of this nature. Where appropriate certain staff have dealt with a specific area of the liquidation due to their specialist skills in that area. PKF (UK) LLP's scale rates may increase from time to time over the period of an assignment.

All staff who have worked on this matter, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the enclosed analysis. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

A creditors guide to fees, which provides information regarding creditors' rights in relation to insolvency practitioners' fees can be obtained by visiting our website at [www.pkf.co.uk/cgtf](http://www.pkf.co.uk/cgtf). Alternatively a copy can be sent upon request.

In accordance with Rule 4.49E of the Insolvency Rules 1986 any unsecured creditor with the concurrence of at least 5% in value of the total unsecured creditors (including the value of their own claim) or with the permission of the court, or any secured creditor may make a formal request in writing to the liquidators for further information about the remuneration or expenses (other than pre-administration costs) set out in this report. Such a request must be made within 21 days from the date of receipt of this progress report.

Additionally, creditors who believe that the liquidators' remuneration is, in the circumstances, excessive or inappropriate may apply to the court under the provisions of Rule 4.131 of the Insolvency Rules 1986. Such application may be made by a secured creditor or any unsecured creditor, the latter requiring the concurrence of 10% of the total unsecured creditors (including their own claim) or the permission of the court.

In respect of the liquidators' disbursements in this matter, I have paid category 1 expenses of £20.80 in respect of parking fees and tunnel tolls, £3 for Companies House searches, and £98 in respect of the insolvency bond. Category 2 disbursements, being those which contain an element of overhead recovery and to which specific approval to draw was given at the meeting of creditors, equate to £273.35 of mileage charges, which have also been drawn in the period in question.

I trust the above provides you with sufficient information, but if you have any questions please contact Anne Boardman on 0161 832 5481

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

**Jonathan Newell**  
Joint Liquidator

## Mostyn House School – Statutory Information

1 1	Company Number	03079131
1 2	Date of Incorporation	12 July 2005
1 3	Principle Activity	Private school
1 4	Trading Address	Parkgate South Wirral Cheshire CH64 6SG
1 5	Registered Office	c/o PKF (UK) LLP 3 Hardman Street Spinningfields Manchester M3 3HF
1 6	Previously	Parkgate South Wirral Cheshire CH64 6SG
1 7	Issued Share Capital	None – Limited by guarantee
1 8	Guarantors	S M T Grenfell R G L Dale - Jones
1 9	Directors	S M T Grenfell R G L Dale - Jones S Burrows C J Allan J Wallace - Jones
1 10	Company Secretary	R G L Dale - Jones
1 11	Joint Liquidators' Details	Kerry Bailey & Jonathan Newell PKF (UK) LLP 3 Hardman Street Spinningfields Manchester M3 3HF

# SIP9 Analysis of OfficeHolders Timecosts as at 11/07/2011

Client: 4015869 Mostyn House School

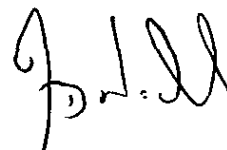
Tasks	Grade	Partner / Director	Manager	Supervisor / Senior Administrator	Administrator / Assistant	Total
		Amount (£)	Hours	Amount (£)	Hours	Amount (£)
Average Cost per hour		£395.00	£262.00	£170.00	£88.00	£182.00
Planning & Monitoring		197.50	0.50	568.10	2.10	860.35
Time Summaries & Billing		0.00	0.00	311.30	1.10	311.30
Cashiering Function Generally		39.50	0.10	744.60	2.95	2,105.20
Office Holders Tax Liabilities		0.00	0.00	113.20	0.40	240.70
CDDA 1986 Work		0.00	0.00	624.00	3.00	624.00
Partly Secured Creditors (including of lease and HP)		0.00	0.00	78.00	0.45	78.00
Non Preferential Creditors		79.00	0.20	404.00	2.00	3,274.25
Employee Claims		197.50	0.50	356.15	1.25	10,651.65
Fixed Asset Realisation		0.00	0.00	84.90	0.30	391.15
Other Asset Realisations		1,185.00	3.00	1,587.20	5.60	3,361.25
Insurance & Bonding		0.00	0.00	56.60	0.20	118.10
General Administration		0.00	0.00	141.50	0.50	1,127.35
Statutory Compliance (including CRO returns and lodg		0.00	0.00	1,216.90	4.30	3,086.90
Pre Appointment Work (including investigation work)		1,975.00	5.00	0.00	0.00	1,975.00
Secretarial		0.00	0.00	0.00	0.20	16.00
		3,673.50	9.30	6,208.45	23.70	28,221.20
				15,753.25	92.65	2,686.00
						29.31
						164.86

**Mostyn House School  
(In Liquidation)  
Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs		From 12/07/2010 To 11/07/2011
	<b>PROPERTY &amp; LAND</b>	
NIL	Leasehold property	NIL
NIL	Leasehold improvements	NIL
(143,223 00)	Chargeholder	NIL
		<u>NIL</u>
	<b>ASSET REALISATIONS</b>	
4,250 00	Equipment & Fittings	6,427 80
	Furniture, Fittings & Other	NIL
4,000 00	Motor Vehicles	4,535 21
NIL	Stock	NIL
NIL	Book Debts	3,730 76
	Insurance Refund	24 50
NIL	Cash at Bank	NIL
	Computer Equipment	NIL
	Sundry refunds	NIL
	Bank Interest Net of Tax	14 12
	Funds introduced by directors	20,000 00
	Non Domestic Rates Refund	8,735 49
		<u>43,467 88</u>
	<b>COST OF REALISATIONS</b>	
	Preparation of S of A	7,500 00
	Office Holders Fees	4,000 00
	Office Holders Expenses	395 15
	Assistance with books and records	700 00
	Agents/Valuers Fees	6,244 60
	Agents Expenses	295 14
	Legal Fees	4,000 00
	Legal Disbursements	32 00
	Statutory Advertising	293 65
	Bank Charges	0 37
		<u>(23,460 91)</u>
	<b>PREFERENTIAL CREDITORS</b>	
(91,200 00)	Employee Claims	NIL
		<u>NIL</u>
	<b>UNSECURED CREDITORS</b>	
(42,217 50)	Trade & Expense Creditors	NIL
(250,000 00)	Employees	NIL
(22,000 00)	Inland Revenue	NIL
(131,786 00)	Loans	NIL
(16,790 00)	Grant monies	NIL
		<u>NIL</u>
<b>(688,966.50)</b>		<u><b>20,006.97</b></u>
	<b>REPRESENTED BY</b>	
	VAT Receivable	648 92
	Bank 1 - Current	19,358 05



20,006.97



Kerry Bailey  
Joint Liquidator