

# Liquidator's Progress Report

# S.192

Pursuant to Sections 92A and 104A and 192  
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

03079131

Name of Company

Mostyn House School

*AT* We

Kerry Bailey, 5 Temple Square, Temple Street, Liverpool, L2 5RH

Ian J Gould, 3 Hardman Street, Spinningfields, Manchester, M3 3AT

*Final*

the liquidator(s) of the company attach a copy of ~~my~~ <sup>our</sup> Progress Report  
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 12/07/2013 to 08/10/2014

Signed

Date

*10.10.14*

BDO LLP  
3 Hardman Street  
Spinningfields  
Manchester  
M3 3AT

Ref 04015869/KFB/IJG/CS

SATURDAY



A09	*A3J8XA3U*	#294
COMPANIES HOUSE		
A27	*A3IE1CPM*	#140
COMPANIES HOUSE		



Tel +44 (0)161 817 7500  
Fax +44 (0)161 817 7683  
DX 710256 Manchester 3  
www.bdo.co.uk

3 Hardman Street  
Manchester M3 3AT

PRIVATE & CONFIDENTIAL

8 October 2014

Our ref. KB/CS/4015869

Please ask for Carole Speakman

0161 817 7547

Email carole.speakman@bdo.co.uk

Dear Sirs

**Mostyn House School - In Liquidation ("the Company")**  
**Company Registration Number : 03079131**

I am now in a position to conclude this liquidation and advise you that the final general meetings of the Company and its creditors have been held pursuant to Section 106 of the Insolvency Act 1986. This is my final report issued in accordance with Rule 4.49D of the Insolvency Rules 1986. Please note that the draft final report was issued prior to the anniversary and covers in excess of 12 months. No substantiated issues were raised by creditors and no further report will be issued. I confirm that notice of no dividend has been given in accordance with Rule 4.186 of the Insolvency Rules 1986.

The following schedules are attached to this report

- Statutory information,
- The Joint Liquidators' Abstract of Receipts and Payments for the period of the report,
- An analysis of the time charged to the Liquidation estate, and
- A schedule of the BDO LLP charge out rates applicable to this matter.

Please note that on 28 May 2014, an order was made by the High Court of Justice, Chancery Division, Companies Court in London, No 3691 of 2014 (copy of which is available on request) removing Jonathan David Newell as Joint Liquidator of Mostyn House School following his retirement from BDO LLP.

The court order also provided for Ian James Gould of BDO LLP, 125 Colmore Row, Birmingham, B3 3SD to be appointed as Joint Liquidator of Mostyn House School in place of Jonathan David Newell with effect from 28 May 2014. Ian James Gould is authorised and licensed by the Institute of Chartered Accountants in England & Wales.

### Background

Kerry Bailey and Jonathan Newell were appointed Joint Liquidators of the Company on 12 July 2010 following a meeting of members and creditors pursuant to Section 98 of the Insolvency Act 1986. The nature of the business was that of a private school. The Company traded from premises at Parkgate, South Wirral, Cheshire CH64 6SG. As stated above Jonathan Newell has been replaced on his retirement by Ian James Gould.





## **1 Progress of the liquidation**

### **1.1 Asset realisation**

Since the appointment on 12 July 2010 all assets have been realised as reported previously and are detailed on the attached receipts and payments account. As you may recall the directors introduced funds into the liquidation on the basis that they would be refunded as and when funds permitted, a final refund will be made in the sum of £500 shortly

### **1.2 Bank Interest**

The only receipt during the period of this report represents minimal interest received on the funds held in the liquidation bank account at the Royal Bank of Scotland.

## **2 Costs incurred other than Liquidators' expenses**

There have been no payments made and no other material costs have been incurred in this final reporting period. There will be a small balance remaining in the sum of £15 which will be utilised in the final statutory costs of the liquidation

## **3 Creditor claims and distributions**

3.1 Barclays Bank Plc held fixed charge security over the school premises in respect of the overdraft of £143,223, as reported previously this amount has been repaid in full from the sale of the premises. As the premises were not owned by the Company payment details are not included on the attached receipts and payments account.

3.2 The preferential creditors total £117,367 including the claims of the former employees and the Redundancy Payments Office who has processed claims and made payments to the individuals. There are no funds available to make payment to preferential creditors from the liquidation.

3.3 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. In this case, the Prescribed Part provisions will not apply as net assets available for distribution to creditors are less than £10,000

3.4 There is no prospect of a distribution to any class of creditor. On 23 August 2011, notice was issued to all creditors in accordance with Rules 11.7 of the Insolvency Rules 1986 and Section 4.186 of the Insolvency Act 1986.

## **4 Liquidators' remuneration and disbursements**

4.1 At the meeting of creditors of the Company and creditors on 12 July 2010, it was resolved that the Joint Liquidators be remunerated by reference to PKF (UK) LLP's (now BDO LLP) normal rates for the time spent by the liquidators and their staff in attending to matters arising in the winding-up. A resolution was also passed that PKF (UK) Ltd be paid £7,500 plus vat and disbursements in respect of the statement of affairs fee, drawn and reported previously.

4.2 From 1 June 2013 the time recording systems used by PKF (UK) LLP and BDO LLP were merged. A schedule detailing the time spent from 12 July 2010 to 11 July 2013 is attached. As there has been no sign of recovery no further time has been recorded and the balance will be written off.

4.3 The time costs incurred in the period 12 July 2010 to 11 July 2013 amounted to £36,199 and represented 197 hours at an average hourly rate of £184 per hour.

4.4 The table detailed below sets out the hourly charge-out rates formerly applied by PKF (UK) LLP for charging staff time on this matter.

4.5

Job Title	Hourly rates 8 July 2012 to 31 May 2013      £
Partner	418
Director	381
Senior manager	300
Manager	254
Assistant manager	204
Supervisor	181
Assistant / Senior administrator	48-165
Secretarial and support staff	85

4.6 From 1 June 2013 BDO LLP's charge out rates were applied. Attached is a schedule of these charge out rates and disbursements.

4.7 No time costs have been recorded during this reporting period given the unlikely chance of recovery.

4.8 The Joint Liquidators have drawn fees of £4,000 to date. I can confirm that the balance of time costs will be written off. There have been no disbursements charged during this reporting period, the balance in hand of £15.14 will be utilised in the costs of storage.


4.9 These time costs relate to 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. BDO LLP's scale rates may increase from time to time over the period of an assignment.

4.10 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.

4.11 The Liquidators have not incurred any disbursements in this period but have been paid the disbursements which were incurred and reported to creditors last year.

Yours faithfully

For and on behalf of Mostyn House School



Kerry Bailey

Joint Liquidator

Authorised by the Institute of Chartered Accountants in England & Wales

Enc



## STATUTORY INFORMATION

Company name	Mostyn House School
Registration number	03079131
Registered office address	5 Temple Square Temple Street Liverpool L2 5RH
Liquidators details	<p>Kerry Bailey BDO LLP 5 Temple Square Temple Street Liverpool L2 5RH</p> <p>Appointed: 12 July 2010 Resigned: Not applicable</p> <p>Jonathan Newell BDO LLP 5 Temple Square Temple Street Liverpool L2 5RH</p> <p>Appointed 12 July 2010 Resigned: 28 May 2014</p> <p>Ian James Gould BDO LLP 125 Colmore Row Birmingham B3 3SD</p> <p>Appointed : 28 May 2014 Resigned : Not applicable</p>

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

Statement of Affairs		From 12/07/2013 To 08/10/2014	From 12/07/2010 To 08/10/2014
	<b>PROPERTY &amp; LAND</b>		
NIL	Leasehold property	NIL	NIL
NIL	Leasehold improvements	NIL	NIL
(143,223 00)	Chargeholder	NIL	NIL
		NIL	NIL
	<b>ASSET REALISATIONS</b>		
4,250 00	Equipment & Fittings	NIL	6,427 80
	Furniture, Fittings & Other	NIL	NIL
4,000 00	Motor Vehicles	NIL	4,535 21
NIL	Stock	NIL	NIL
NIL	Book Debts	NIL	3,730 76
	Insurance Refund	NIL	24 50
NIL	Cash at Bank	NIL	NIL
	Computer Equipment	NIL	NIL
	Sundry refunds	NIL	NIL
	Bank Interest Net of Tax	0 02	22 29
	Funds introduced by directors	(500 00)	NIL
	Non Domestic Rates Refund	NIL	8,735 49
		(499 98)	23,476 05
	<b>COST OF REALISATIONS</b>		
	Preparation of S of A	NIL	7,500 00
	Office Holders Fees	NIL	4,000 00
	Office Holders Expenses	NIL	395 15
	Assistance with books and records	NIL	700 00
	Agents/Valuers Fees	NIL	6,244 60
	Agents Expenses	NIL	295 14
	Legal Fees	NIL	4,000 00
	Legal Disbursements	NIL	32 00
	Statutory Advertising	NIL	293 65
	Bank Charges	NIL	0 37
		NIL	(23,460 91)
	<b>PREFERENTIAL CREDITORS</b>		
(91,200 00)	Employee Claims	NIL	NIL
		NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(42,217 50)	Trade & Expense Creditors	NIL	NIL
(250,000 00)	Employees	NIL	NIL
(22,000 00)	Inland Revenue	NIL	NIL
(131,786 00)	Loans	NIL	NIL
(16,790 00)	Grant monies	NIL	NIL
		NIL	NIL
<b>(688,966.50)</b>		<b>(499.98)</b>	<b>15 14</b>
	<b>REPRESENTED BY</b>		
	Awaiting closing cheque		15 14
			<b>15.14</b>

# SIP9 Analysis of OfficeHolders Timecosts as at 11/07/2013

Client: 4015869 Mostyn House School

Tasks	Grade	Partner / Director	Manager	Supervisor / Senior Administrator	Administrator / Assistant	Total
	Amount (£)	Hours	Amount (£)	Hours	Amount (£)	Hours
Average Cost per hour: £396.00 £264.00 £171.00 £83.00 £184.00						
Partner/Senior Manager Review	121 50	0 30	0 00	0 00	0 00	121 50
Case Completion	202 50	0 50	0 00	0 00	0 00	202 50
Planning & Monitoring	197 50	0 50	1,208 30	4 30	99 00	1,783 30
Time Surmises & Billing	0 00	0 00	369 50	1 30	0 00	369 50
Cashiering Function Generally	39 50	0 10	1,022 10	3 95	1,240 80	2,696 90
Dividends & Distributions	0 00	0 00	58 20	0 20	0 00	58 20
Office Holders Tax Liabilities	0 00	0 00	1,108 90	5 10	241 25	1,350 15
CDDA 1986 Work	0 00	0 00	624 00	3 00	0 00	624 00
Partly Secured Creditors (including of lease and HP)	0 00	0 00	0 00	0 00	0 00	0 00
Non Preferential Creditors	79 00	0 20	404 00	2 00	2,791 25	3,274 25
Employee Claims	197 50	0 50	1,840 25	6 35	11,105 75	14,310 65
Fixed Asset Realisation	0 00	0 00	84 90	0 30	341 25	438 75
Other Asset Realisations	1,185 00	3 00	1,790 90	6 30	535 50	3,564 95
Insurance & Bonding	0 00	0 00	56 60	0 20	51 00	118 10
General Administration	0 00	0 00	636 20	2 20	673 75	1,955 79
Statutory Compliance (including CRO returns and lodger	0 00	0 00	1,216 90	4 30	1,870 00	3,086 90
Pre Appointment Work (including investigation work)	1,975 00	5 00	0 00	0 00	0 00	1,975 00
Annual/Periodic Reporting/Meeting (ie S48 or S105)	0 00	0 00	174 60	0 60	0 00	174 60
Secretarial	0 00	0 00	0 00	0 00	16 00	16 00
	3,997 50	10 10	10,595 35	40 10	18,360 75	36,199 04
					3,245 44	196 95



In accordance with best practice I provide below details of policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvency.

The current charge out rates per hour of staff within my firm who may be involved in working on the insolvency, follows: This in no way implies that staff at all such grades will work on the case.

#### GRADE £

Partner1	461
Partner2	371
Director	295
Senior Manager	271
Manager	203-230
Assistant Manager	183
Senior Executive	172
Executive	155
Junior Executive	99
Cashier	183
Support staff/Secretary	63

The rates charged by BDO LLP, 3 Hardman Street, Manchester, M3 3AT are reviewed in December and July each year and are adjusted to take account of inflation and the firm's overheads

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes BDO LLP records work in respect of insolvency work under the following categories:-

Pre Appointment  
Steps upon Appointment  
Planning and Strategy  
General Administration  
Asset Realisation/Management  
Trading Related Matters  
Employee Matters  
Creditor Claims  
Reporting  
Distribution and Closure  
Other Issues.

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs





### 1) Other Costs

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories

### 2) Category 1

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents etc. In each case the recharge will be reimbursement of a specific expense incurred.

### 3) Category 2

Insolvency practice additionally provides for the recharge of expenses such as postage, stationery, photocopying charges, telephone, fax and other electronic communications, which cannot be economically recorded in respect of each specific case. Such expenses, which are apportioned to cases, must be approved by the creditors in accordance with the Insolvency Rules 1986, before they can be drawn, and these are known as category 2 disbursements. The policy of BDO LLP, in respect of this appointment is not to recharge any expense which is not a specific cost to the case, therefore there will be no category 2 disbursements charged.

A further disbursement under this heading is the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is raised which is in line with the Inland Revenue Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval will be sought in accordance with the Insolvency Rules 1986 to recover this disbursement.

Where applicable, all disbursements will be subject to VAT at the prevailing rate.

BDO LLP  
21 July 2014