

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

03366285

Name of Company

Sidmouth Flexible Forestry Limited

I / ~~We~~

Christopher Kim Rayment, 125 Colmore Row, Birmingham, B3 3SD

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

The Progress Report covers the period from 01/05/2013 to 30/04/2014

Signed 

Date

11 June 2014.

BDO LLP
125 Colmore Row
Birmingham
B3 3SD

Ref 00228204/CKR/SPM/AEM

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COMPANIES HOUSE

**SIDMOUTH FLEXIBLE FORESTRY
LIMITED**
In Members' Voluntary Liquidation

Liquidator's Annual Report to Members
pursuant to S92A of the Insolvency Act 1986

Clients/S/Sidmouth Flexible Forestry Limited/Annual
Report/S92A Annual Progress Report



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SIDMOUTH FLEXIBLE FORESTRY LIMITED - IN MEMBERS' VOLUNTARY LIQUIDATION

Registered No. 03366285

Registered office situated at 125 Colmore Row, Birmingham, B3 3SD

1 Introduction

- 1.1 This report is addressed to the members of Sidmouth Flexible Forestry Limited ("the Company") and is prepared in accordance with Section 92A of the Insolvency Act 1986. I am pleased to report on the progress of my administration of the above case to 30 April 2014, being the day prior to the anniversary of the Liquidation. This report includes an account of the winding up and a receipts and payments account
- 1.2 The members passed a resolution placing the Company into Members' Voluntary Liquidation on 1 May 2013 and appointed Christopher Kim Rayment (insolvency practitioner number 6775) as Liquidator

2 Objective of the Liquidation

- 2.1 The objective of liquidation was to ensure an orderly wind down of the Company, which included distributing the freehold properties and land held at liquidation, filing statutory returns at Companies House, advertising for any creditors and payment thereon, distributing the surplus funds to the members and finalising the tax affairs of the Company with HM Revenue and Customs ("HMRC").

3 Progression

- 3.1 As at 30 April 2014, all of the property and land had been distributed to the shareholders. The cash is being retained pending final tax clearance and further information on the Company's tax affairs is detailed below.
- 3.2 Rental income of £4,500.00 for the 6 months ended 25 September 2013 was received in respect of land at Ashdown Farm. After discussions with solicitors, it transpired that this land was encompassed within the Holyford, Colyton land transferred to Mr D Truell in August 2013, and it was agreed via the solicitor that all future rental income would be paid to Mr D Truell.
- 3.3 Correspondence was received from the Rural Payments Agency in respect of subsidies due to the Company, and an amount of £4,269.56 was received on 8 October 2013. This was £2,104.54 for the Single Payment Scheme for the Year 2011, and £2,165.02 for the Single Payment Scheme for the Year 2012.
- 3.4 Further realisations have been received which were not anticipated in the declaration of solvency and these are shown in the receipts and payments account

4 Receipts and Payments Account

- 4.1 The enclosed receipts and payments account includes the amounts shown in the declaration of solvency as sworn by the directors, and the realisations and payments actually made in the period 1 May 2013 to 30 April 2014. The balance of funds in hand as at 30 April 2014 was £80,277.38.

5 Company's Tax Affairs

- 5.1 The outstanding tax returns up to the date of Liquidation were submitted to HMRC by CBHC LLP. There was no tax liability due. On 4 April 2014, a tax return for the Liquidation period was forwarded to HMRC. The tax liability of £6,048.00 was

acknowledged by HMRC and paid in the period after 30 April 2014, so does not appear on the receipts and payments account

6 Distributions

6.1 Preferential and Secured Creditors

There were no preferential creditors in this Liquidation. SG Hambros has confirmed that the secured loan with SG Hambros has been transferred from the Company to Mr E Truell with the main property when it was distributed in specie.

6.2 Unsecured Creditors

An advertisement for claims was placed in the London Gazette on 14 May 2013

An amount of £18,510.00, together with statutory interest of £235.16, was paid to the Trade & Expense creditors. This equated to a distribution of 100p in the £ on the creditors' claims plus statutory interest, and this was paid in accordance with Section 189 of the Insolvency Act 1986. There was a liability on a loan due to Rockhopper shown in the declaration of solvency and was held in the name of the Company. The liability for this loan has been passed to the shareholders with their consent.

The claims from Tilhill Forestry Limited ("Tilhill") and 3D Farming Partnership took longer to resolve than anticipated, with the claim from 3D Farming Partnership being formally rejected in part. The claim from Tilhill was less than was anticipated and it subsequently transpired that Tilhill had offset the self-billing invoices against the monies due to them. In addition, further invoices and self-billing invoices were received from Tilhill after the date of Liquidation, and, after discussions and correspondence with Tilhill, these invoices were subsequently credited and re-invoiced to the correct parties.

The Company also received further correspondence from Tilhill, in respect of 'growing timber insurance', and after discussions with Tilhill and solicitors, this correspondence was forwarded to the solicitors.

6.3 Return to Shareholders

At the time of the Liquidator's appointment, the issued and paid up share capital of the Company was 414,000 Ordinary £1 shares. No cash distributions were made in the period ended 30 April 2014. The Company held four properties, these being land at Holyford, Colyton; land on the north east side of Muttessmoor Road, Sidmouth; land at Peake Hill Wood, Sidmouth; and land forming part of Warborne Farm, Warborne Lane, Portmore, Lymington. As agreed, the first three mentioned properties were distributed, in specie, to Daniel Truell in August 2013. The fourth mentioned property, being the land forming part of Warborne Farm, was distributed to Edmund Truell on 1 May 2013.

7 Future of the Liquidation

7.1 As at 30 April 2014, we were awaiting tax clearance before proceeding to make a cash distribution to the shareholders and closing the Liquidation

8 Liquidator's Remuneration

8.1 In accordance with Rule 4.127 of the Insolvency Rules 1986, the basis of remuneration has to be fixed either as a percentage of the value of the property being dealt with, by reference to time spent by the Liquidator and his staff in attending to matters in this Liquidation, as a set amount, or as a combination of these

8.2 It was agreed by Written Resolution on 1 May 2013, that the Liquidator's remuneration would be based on the time properly incurred by the Liquidator and his staff in attending

to matters arising in the Liquidation. As at 30 April 2014, no fees had been invoiced or drawn.

8.3 The costs were higher than anticipated due to a number of unforeseen matters that needed to be dealt with and it was subsequently agreed that the liquidation would be completed for a set fee. As at 25 April 2014, being the most practicable date, a total of 123.50 hours had been spent on the liquidation at a cost of £21,816.05. This represents an average charge out rate of £176.65 per hour. A full breakdown can be provided if requested.

8.4 As at 30 April 2014, the disbursements amounted to £612.50, as detailed below. As at 30 April 2014, no disbursements had been invoiced or drawn.

8.5 I provide at the end of this report, at Appendix 2, an extract from the Insolvency Rules 1986 setting out the rights of members to request further information and/or challenge the remuneration or fees within the Liquidation.

9 Disbursements

9.1 Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. During the period of the Liquidation the sum of £612.50 has been incurred 30 April 2014 in respect of category 1 disbursements, and this related to statutory advertising of £225.00 and statutory insurance of £387.50.

9.2 Some Liquidators recharge expenses for, for example, postage, stationery, photocopying charges, telephone and fax costs, which cannot economically be recorded in respect of each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors before they can be drawn, and these are known as category 2 disbursements. There have been no category 2 disbursements in this case.

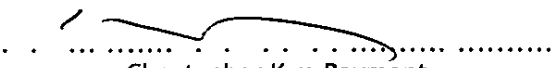
10 Post Anniversary Events

10.1 Since 30 April 2014, the Liquidation fee and disbursements have been invoiced and drawn, and a distribution has been made to the shareholders. A final report has been drafted, and this includes a notice of a final meeting to be held on 21 July 2014.

The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency Practitioners. In the event that you make a complaint to me but are not satisfied with the response from me, then you should visit <http://www.bis.gov.uk/insolvency/contact-us/IP-Complaints-Gateway>, where you will find further information on how you may pursue the complaint.

Should you have any queries regarding this report or the Liquidation in general, please do not hesitate to contact me.

Dated: 11 June 2014


Christopher Kim Rayment
Liquidator

Christopher Kim Rayment is authorised by the Institute of Chartered Accountants in England and Wales to act as an Insolvency Practitioner

**Sidmouth Flexible Forestry Limited
In Members' Voluntary Liquidation**

Receipts and Payments from 1 May 2013 to 30 April 2014

	Notes 1	Declaration of Solvency £	£	Total Amounts to 30 4 2014 £	£
RECEIPTS					
Cash Received from SG Hambros	}	80,481 00		78,298 09	
Cash Received from Nat West Bank				7,947 85	
Freehold Property	2	1,581,594 00		-	
Rental Income		-		4,500 00	
Bank Interest Gross				129 52	
Rural Payments Agency		-		4,269 56	
VAT Refund				3,775 91	
Insurance Refund				198 32	
Trade Debtors				242 94	
Total			1,662,075 00		99,362 19
COST OF REALISATIONS					
VAT Payable		-		239 65	
					(239.65)
UNSECURED CREDITORS					
Trade & Expense Creditors		7,834 00		18,510 00	
Creditor HMRC				100 00	
Creditors Statutory Interest		-		235 16	
Total			(7,834 00)		(18,845 16)
Balance in Hand			1,654,241 00		80,277.38
Represented by					
Bank account	3			£	80,277 38

1 The amounts shown under Declaration of Solvency were taken from the Declaration sworn by the directors

2 The four freehold properties were distributed in specie to the members in the period covered by this report

3 The funds were previously held on an interest bearing account This was converted to a non-interest bearing account to finalise a tax return to HM Revenue & Customs and to request tax clearance

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C K Rayment
Liquidator

11 June 2014

Appendix 2

4.148C Members' claim that remuneration is excessive

- (1) Members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or any member with the permission of the court, may apply to the court for one or more of the orders in paragraph (6) on the grounds that—

- (a) the remuneration charged by the liquidator,
- (b) the basis fixed for the liquidator's remuneration under Rule 4.148A, or
- (c) expenses incurred by the liquidator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate

- (2) Application must, subject to any order of the court under Rule 4.49E(5), be made no later than 8 weeks (or 4 weeks when the liquidator has resigned in accordance with Rule 4.142) after receipt by the applicant of the report or account which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (3) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application; but it must not do so unless the applicant has had the opportunity to attend the court for a hearing of which the applicant has been given at least 5 business days' notice but which is without notice to any other party.
- (4) If the application is not dismissed under paragraph (3), the court must fix a venue for it to be heard and give notice to the applicant accordingly.
- (5) The applicant must at least 14 days before the hearing send to the liquidator a notice stating the venue and accompanied by a copy of the application and of any evidence which the applicant intends to adduce in support of it.
- (6) If the court considers the application to be well-founded, it must make one or more of the following orders—
- (a) an order reducing the amount of remuneration which the liquidator was entitled to charge;
 - (b) an order fixing the basis of remuneration at a reduced rate or amount,
 - (c) an order changing the basis of remuneration;
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,
 - (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report.

- (7) Unless the court orders otherwise, the costs of the application must be paid by the applicant and are not payable as an expense of the liquidation.