

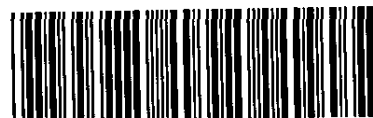
# LIQ03

## Notice of progress report in voluntary winding up



Companies House

TUESDAY



A24 10/04/2018 #148  
COMPANIES HOUSE

### 1 Company details

Company number 0 5 0 2 8 3 5 3

Company name in full National Electrical Wholesale Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Lloyd

Surname Biscoe

### 3 Liquidator's address

Building name/number The Old Exchange

Street 234 Southchurch Road

Post town Southend on Sea

County/Region Essex

Postcode S S 1 2 E G

Country

### 4 Liquidator's name ●

Full forename(s) Jamie

Surname Taylor

#### ● Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ●

Building name/number The Old Exchange

Street 234 Southchurch Road

Post town Southend on Sea

County/Region Essex

Postcode S S 1 2 E G

Country

#### ● Other liquidator

Use this section to tell us about  
another liquidator.

LIQ03

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**6** Period of progress report

From date	<sup>d</sup> 0	<sup>d</sup> 9	<sup>m</sup> 0	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 7
To date	<sup>d</sup> 0	<sup>d</sup> 8	<sup>m</sup> 0	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8

**7** Progress report

☒ The progress report is attached

**8** Sign and date

Liquidator's signature

Signature

X 

X

Signature date

<sup>d</sup> 0	<sup>d</sup> 4	<sup>m</sup> 0	<sup>m</sup> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8
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LIQ03

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	Lloyd Biscoe
Company name	Begbies Traynor (Central) LLP
Address	The Old Exchange
	234 Southchurch Road
Post town	Southend on Sea
County/Region	Essex
Postcode	S S 1 2 E G
Country	
DX	
Telephone	01702 467255

**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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)

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## **National Electrical Wholesale Limited (In Creditors' Voluntary Liquidation)**

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Progress report

Period: 9 February 2017 to 8 February 2018

### **Important Notice**

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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# 1. INTERPRETATION

<b><u>Expression</u></b>	<b><u>Meaning</u></b>
"the Company"	National Electrical Wholesale Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators on 9 February 2017.
"the liquidators", "we", "our" and "us"	Lloyd Biscoe of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, Essex, SS1 2EG and Jamie Taylor of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, Essex, SS1 2EG
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

# 2. COMPANY INFORMATION

Trading name(s):	<b>National Electrical Wholesale Limited</b>
Company registered number:	05028353
Company registered office:	The Old Exchange, 234 Southchurch Road, Southend on Sea, Essex, SS1 2EG
Former trading address:	730 Tudor Rose Estate, Abbey Road, Park Royal London, NW10 7UN

# 3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	9 February 2017
Date of liquidators' appointment:	9 February 2017
Changes in liquidator (if any):	None

## 4. PROGRESS DURING THE PERIOD

### **Receipts and Payments**

Attached at Appendix 1 is our abstract of receipts and payments for the period from 9 February 2017 to 8 February 2018.

### **Receipts**

#### Professionals Used

Prior to our appointment the directors of the Company instructed professional, RICS and Nava registered agents and valuers, ITC Valuers Limited ("the Agents"), to value the remaining tangible assets of the Company, which consisted of office equipment, fixtures and fittings, motor vehicles and stock. They also valued the Company's intangible assets being the customer database.

#### Office Furniture

As reported in the directors' statement of affairs the office furniture was shown with a net book value of £44,396 in the electronic financial information of the Company. The Agents valued this at £1,750 on an in-situ basis. Following our appointment an offer of £1,750 was received for this furniture which was accepted following receiving the Agent's recommendation. In the attached receipts and payments account this has been shown separately as both plant and machinery and office furniture.

#### Fixtures and Fittings

Fixtures and fittings with a net book value of £14,418 included in the Company's electronic accounting software were shown in the directors' statement of affairs with an estimated to realise amount of £1,000 on an in-situ basis following a valuation undertaken by the Agents. An offer of £1,000 was received for these assets, which was accepted following receipt of the Agent's recommendation.

#### Stock

Stock shown with a book value of £624,579 in the Company's accounting software was also valued on an in-situ basis at £17,500 by the Agents. An offer of £10,250 was received for this stock. This was considered reasonable given the aged nature of the stock and a number of retention of title claims which further diminished the value of the stock in the possession of the Company. The offer was therefore accepted following receiving the Agent's recommendation.

#### Investment in Subsidiary

Following our appointment it was brought to our attention that the Company owned shares in another company, namely NCM Distributors Limited. An offer of £2,000 was received for these shares from a director of that Company which was considered reasonable following a review of the company's accounts by our Agents.

#### Bank Interest Gross

The amount of 35 pence has been received by way of gross bank interest earned on the funds held in the liquidation account.

### Goodwill

The Company's goodwill, which included a customer database, was valued at £2,000 by the Agents for the purposes of the Statement of Affairs. Following our appointment an offer of £2,000 was received, which was accepted following receipt of the Agents recommendation.

### Overseas Freehold Property

The Company owns a freehold development property in Northern Cyprus. This was shown with an uncertain estimated to realise amount in the directors' statement of affairs.

Since our appointment we have liaised with our Agents regarding the sale of this property. This has been hampered due to the lack of books and records that exist in respect of this asset and the property's location. Investigations are ongoing in regards to this asset with a view to selling this for the benefit of the Company's creditors.

### **Payments**

#### Agents/Valuers Fees

The amount of £3,645.83 has been paid to the Agents for the valuation of the Company's assets, their assistance with the sale of the remaining assets, their assistance with retention of title claims and in respect of the sale of the freehold property. These costs are considered reasonable given the amount of work required to deal with retention of title issues. Their fees have been charged on the basis of a fixed valuation fee of £500 plus VAT plus 12.5% of net realisations and then time costs in respect of retention of title claims.

**What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?**

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2.

#### **General case administration and planning**

- Updating the electronically held information at this office;
- General filing and printing of incoming communications;
- Setting up and maintaining physical case files;
- Review of background and identifying areas requiring action and formulating a case strategy plan.
- Updating case strategy plan.
- Creation, review and update of case compliance checklists.
- Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and otherwise does not directly fall into other categories.
- General case updates to include internal meetings on case strategy and effect of instruction.
- Overseeing and controlling the work undertaken on this engagement by junior staff;
- Creation of file notes where necessary;
- Completion of one month case compliance and progression checklist;
- Completion of three month case compliance and progression checklist;
- Completion of six monthly compliance and progression checklists;
- Ensure time recording data is compliant with Statement of Insolvency Practice 9;



- Establishing the location of some of the Company's statutory and financial books and records from both the director of the Company and the Company's former accountants.
- Communication with the insolvent's bank to obtain copy bank statements;

On this engagement, the work identified above does not hold direct commercial benefit to creditors. Creditors benefit from this work as it ensures this particular engagement is dealt with to the standards expected and also in a timely fashion. Elements of this work are required to comply with best practice and statute.

#### **Compliance with the Insolvency Act, Rules and best practice**

- Preparing documentation and dealing with formalities of appointment (both statutory and best practice);
- Preparing, reviewing and issuing initial report to creditors following appointment;
- Submission of forms to Companies House and the London Gazette advertising;
- Obtaining specific penalty bond;
- Reviewing the adequacy of the specific penalty bond periodically;
- Ongoing consideration to ethical practice;
- Ongoing consideration to money laundering regulations;
- Updating case checklists and statutory diaries where necessary;
- Submission of forms to Companies House;

#### **Banking:**

- Opening, maintaining and managing the insolvent estate bank account.
- Creating, maintaining and managing the officer holders' cash book on this assignment.
- Undertaking regular bank reconciliations of the insolvent estate bank account.
- Complying with risk management procedures;
- Accounting for accruing interest on the cash book;
- Preparing and processing cheque requisition forms for the payment of post-appointment invoices;
- Preparing and processing remittance advises for incoming funds;

On this engagement, the work identified above does not hold direct commercial benefit to creditors. It is the duty of the appointed office holder to comply with the Insolvency Act and Rules and creditors benefit from this being done to a standard expected of this firm.

#### **Investigations**

- Corresponded with relevant directors of the insolvent entity to advise of the effect on them of insolvency and issue directors' questionnaires.
- Written to accountant for delivery up of company's files to include accounts and tax returns.
- Written to bank to obtain copy statements and their subsequent review if received;
- Review of electronic accounts software;
- Investigation into whereabouts of the Company's physical records
- Reporting to relevant authorities;
- Completion of internal Company Directors Disqualification Act ("CDDA") investigations and form.
- Reviewing available records to determine any pre-appointment antecedent transactions;
- Review into the financial means of the directors;
- The office holders have made an appropriate submission to the Department for Business Innovation and Skills.

The office holders are obliged under the CDDA to conduct certain investigations into the affairs and conduct of the Company and its directors. A report is subsequently submitted. This work does not directly commercially benefit creditors and is a statutory requirement. However, sometimes this work overlaps with investigations on antecedent transaction which the office holders may pursue.

On this assignment, there will not be a direct commercial benefit to creditors in relation to the above matters as the office holders have not identified any commercially viable actions to bring which would lead to recovery/contributions to estate assets.

#### **Realisation of assets**

- Review of the available information and formulating an asset realisation strategy;
- Corresponding with bank to close the Company's account;
- Liaise with interested parties regarding the sale of the Company's physical assets;
- Liaising with Agents regarding sale of assets and value of investment;
- Corresponding with interested party regarding the sale of shares held by the Company;
- Investigation into the overseas freehold property;
- Investigation into an overdrawn director's loan account, which has been deemed as irrecoverable due to the director's insolvent position.

On this assignment, the work detailed above has realised assets for the insolvent estate. The office holders are duty bound to realise and get in the Company's property and maximise asset realisations. In some cases this does not yield sufficient realisations to enable creditors to have a direct financial benefit.

#### **Trading**

- None

#### **Dealing with all creditors' claims (including employees), correspondence and distributions**

Creditors:

- Creating and updating schedules of preferential and unsecured creditor claims;
- Preparing all necessary notices and forms and subsequently sending initial circular to creditors;
- Receipt of creditor claims and input on internal case management software;
- Review of creditor claim supporting information;
- Taking and dealing with phone calls from creditors;
- Acknowledgment of creditor claims correspondence and/or dealing with further queries on claims;
- Receipt of, consideration of and response to creditor correspondence;
- Where necessary, consideration of issues to reject claims and issue of appropriate letter to creditor(s) affected in accordance with statutory requirements concerning rejection of all or part claims;

On this engagement, the work detailed above has not had any direct financial benefit to unsecured creditors from the insolvent estate and has been undertaken to comply with the Insolvency Act and Rules together with best practice and enabling creditors to have evidence of their loss for tax and VAT purposes. Secured creditors will benefit from the sale of fixed charge assets.

Employees:

- Sending initial circular to employees;
- Liaising with the Redundancy Payments Office ("RPO") in relation to the claims of the employees;
- Review of payroll information and input of same into the electronic software for submission online;;
- Completion of RP14 and RP14A information after verification procedures with books and records;
- Review of RP1 claims and comparing them to payroll information and assisting with any discrepancies.
- Liaison with the RPO and dealing with their queries.
- Taking phone calls from employees in relation to the progress of the case and their claims.
- Dealing with any discrepancies or queries from the RPO or employees;

On this engagement, the work detailed above has had a direct financial benefit to the preferential creditors. The work has been required to be done in order for the claims lodged by former employees of the business to be met by the redundancy payments office in the first instance, irrespective of the value

of assets in the insolvent estate. The work is required to be done under Employment legislation and claim agreement in accordance with the Insolvency Act and Rules.

**Other matters which includes meetings, tax, litigation, pensions and travel**

**Tax / VAT**

- Submitting relevant initial notification to HM Revenue & Customs;
- Consideration of possible terminal loss relief claim;
- Post appointment VAT compliance – submission of VAT returns.

On this assignment, the reconciliation of input and output VAT and the subsequent submission of VAT returns has enabled further realisation of assets for the estate but of insufficient value from which creditors may directly benefit. It is a requirement of the office holders to complete and file VAT returns until conclusion of the matter.

**Pensions**

- Establishing if a pension exists, to include online checks;

There is no direct financial benefit to creditors for this work on this assignment. It is required by statute for the office holders to identify any possible pension schemes in place and deal with their closure or otherwise. Where schemes exist, we engage pension trustee services to deal with this on our behalf.

**Meetings/travel**

- Attendance at the Section 98 meeting and general meeting to place the Company into liquidation including travel to and from these meetings.

There is no direct financial benefit to creditors for this work on this assignment but it has been necessary in order to progress the insolvency process.

## **5. ESTIMATED OUTCOME FOR CREDITORS**

Details of the sums owed to each class of the Company's creditors were provided in the directors' statement of affairs

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows:

**Secured creditors**

Factor 21 PLC are relying on their security over the debtors of the Company, however, it is envisaged that a significant shortfall will arise. Metro Bank PLC and NEW Pension Scheme each have secured charges registered against the Company. On present information it is uncertain as to whether any distributions will be made to the secured creditors as it is dependent on the level of realisations achieved from the sale of the overseas property.

**Preferential creditors**

No dividend is available for preferential creditors because the funds realised have already been distributed or used or allocated for defraying the expenses of the liquidation.

**Prescribed Part for unsecured creditors pursuant to Section 176A of the Act**

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount

required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property;
- ☐ 20% of net property thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the prescribed part of net property if:

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

There will be no distribution of the prescribed part as our estimate of the Company's net property is less than the minimum prescribed by the Insolvency Act 1986 (Prescribed Part) Order 2003 and we think, in accordance with Section 176A(3)(b) of the Act, that the costs of making a distribution of the prescribed part to unsecured creditors would be disproportionate to the benefits.

#### **Unsecured creditors**

No dividend is available for unsecured creditors because the funds realised have already been distributed or used or allocated for defraying the expenses of the liquidation.

## **6. REMUNERATION & DISBURSEMENTS**

#### **Remuneration**

Our remuneration has been fixed by a resolution of creditors by correspondence by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the winding up as set out in the fees estimate dated 1 March 2017 in the sum of £25,809.20 and we are authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, which is attached at Appendix 2 of this report.

Our time costs for the period from 9 February 2017 to 8 February 2018 amount to £20,730 which represents 82.5 hours at an average rate of £251.27 per hour.

The following further information in relation to our time costs and disbursements is set out at Appendix 2:

- ☐ Time Costs Analysis for the period 9 February 2017 to 8 February 2018
- ☐ Begbies Traynor (Central) LLP's charging policy

To 8 February 2018, we have not drawn any sum on account of our remuneration, against total time costs of £20,730 incurred since the date of our appointment.

### **Time Costs Analysis**

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case, and gives the total costs and average hourly rate charged for each work type.

Please note that the analysis provides details of the work undertaken by us and our staff following our appointment only.

### **Work undertaken prior to appointment**

In addition to the post appointment time costs detailed in the Time Costs Analysis, the costs relating to work undertaken prior to our appointment in summoning, advertising and holding the creditors' meeting and assisting the directors in preparing the statement of affairs were approved by the creditors on 9 February 2017 in the sum of £10,000 which have been drawn from asset realisations.

### **Disbursements**

To 8 February 2018, we have not drawn any disbursements.

### **Why have subcontractors been used?**

No subcontractors have been used in this matter.

### **Category 2 Disbursements**

In accordance with the resolution obtained in relation to disbursements, the following Category 2 disbursements, and disbursements which should be treated as Category 2 disbursements, have been charged to the case since the date of our appointment. None have been drawn.

<b>Other amounts paid or payable to the office holder's firm</b>	
<b>Type and purpose</b>	<b>Amount £</b>
Photocopying	442.20
<b>TOTAL</b>	<b>442.20</b>

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2015' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at [www.begbies-traynor.com/creditorsguides](http://www.begbies-traynor.com/creditorsguides). Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

## **7. LIQUIDATORS' EXPENSES**

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3.

### **Expenses actually incurred compared to those that were anticipated**

Creditors will recall that we estimated that the expenses of the liquidation would total £6,986.60. That estimate has not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged. It should be noted that if further action is required in regard to the sale of the overseas property then our original estimate may be exceeded, if this is the case a revised estimate will be circulated to creditors for their consideration.

## 8. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

### **Assets that remain to be realised**

Investigations are ongoing into the sale of the overseas freehold property.

**What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?**

#### **General case administration and planning**

- The preparation, drafting and issue of this report to creditors and members to include all necessary information;
- Obtaining up to date estimates from agents instructed in relation to their costs;
- Updating case strategy plan;
- update of case compliance checklists;
- Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and otherwise does not directly fall into other categories;
- General case updates to include internal meetings on case strategy and effecting instruction;
- Ongoing maintenance of up to date information on the electronic case information;
- Periodic reviews of the case generally;
- Overseeing and controlling the work undertaken on this engagement by junior staff;
- Completion of six monthly compliance and progression checklists;
- Ensure time recording data is compliant with Statement of Insolvency Practice 9;

There is no direct commercial benefit to creditors in relation to the above matters, but creditors benefit from case progression and accuracy. This work is necessary to progress the case and comply with best practice and statute.

#### **Compliance with the Insolvency Act, Rules and best practice**

- Reviewing the adequacy of the specific penalty bond periodically;
- Ongoing consideration to ethical practice;
- Ongoing consideration to money laundering regulations;
- Updating case checklists and statutory diaries where necessary;
- Submission of forms to Companies House;
- Maintain accurate account of receipts and payments;
- Issuing annual progress reports for submission at Companies House and copies sent to all known creditors.

#### **Banking:**

- Maintaining and managing the insolvent estate bank account.
- Maintaining and managing the officer holders' cash book on this assignment.
- Undertaking regular bank reconciliations of the estate bank account.
- Complying with risk management procedures;
- Accounting for accruing interest on the cash book;
- Preparing and processing cheque requisition forms for the payment of post-appointment invoices;
- Preparing and processing remittance advises for incoming funds;

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. It is the duty of the appointed office holder to comply with the Insolvency Act and Rules and creditors benefit from this being done to a standard expected of this firm.

### **Investigations**

- None

### **Realisation of assets**

- Continuing review of current and new information;
- Accounting for bank interest;
- Continuing investigation into the overseas freehold property, liaising with agents and other parties regarding the realisation of this land.

On this assignment, the ongoing work detailed above may realise assets for the insolvent estate from which one or more class of creditors will directly benefit. The office holders are duty bound to realise and get in the Company's property and maximise asset realisations.

### **Trading**

- None

### **Dealing with all creditors' claims (including employees), correspondence and distributions**

Creditors:

- The issue of this report and associated required documents;
- Updating schedules of preferential and unsecured creditor claims;
- Receipt of creditor claims and input on internal case management software;
- Review of creditor claim supporting information;
- Taking and dealing with phone calls from creditors;
- Acknowledgment of creditor claims correspondence and/or dealing with further queries on claims;
- Receipt of, consideration of and response to creditor correspondence;

On this engagement, the work detailed above is unlikely to have any direct financial benefit to unsecured creditors of the insolvent estate but is undertaken to comply with the Insolvency Act and Rules together with best practice and enabling creditors to have evidence of their loss for tax and VAT purposes. Secured creditors may benefit should realisations be achieved in regard to the overseas property.

Employees:

- Taking phone calls from employees in relation to the progress of the case and their claims.
- Dealing with any discrepancies or queries from the RPO or employees;
- Attending to any employee pension scheme related matters;

On this engagement, the work detailed above is of a direct financial benefit to the preferential creditors. The work is required to be done in order for the claims lodged by former employees of the business to be met by the redundancy payments office in the first instance, irrespective of the value of assets in the insolvent estate. The work is required to be done under Employment legislation and claim agreement in accordance with the Insolvency Act and Rules.

### **Other matters which includes meetings, tax, litigation, pensions and travel**

- The completion of VAT forms in order to reclaim outstanding VAT;
- The completion of Corporation Tax returns;

Some of the above have no direct financial benefit to creditors but is done in order to comply with the Insolvency Rules, as well as a legal requirement.

### **How much will this further work cost?**

On current information we expect to incur a further £5,000 in completing the above tasks, however, should the sale of the overseas property require further investigation and attendance to facilitate a sale our time costs could be substantially more. If this is the case a further fee estimate will be circulated to creditors for their consideration.

### **Expenses**

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the estimate of anticipated expenses sent to creditors on 1 March 2017 which included all of the expenses that we anticipate that we will incur throughout the liquidation.

## **9. OTHER RELEVANT INFORMATION**

### **Investigations and reporting on directors conduct**

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Energy and Industrial Strategy. We can confirm that we have discharged our duties in these respects.

### **Investigations carried out to date**

We have undertaken an initial assessment of the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect. Due to the financial position of the directors no further action can be taken in this regard.

### **Connected party transactions**

We have not been made aware of any sales of the Company's assets to connected parties. It should be noted that Trade Electrical Distributors Limited purchased the tangible and intangible assets of the Company detailed in Section 4 of this report, excluding the investment in subsidiary. The directors of the Company were previous directors and shareholders in the purchaser but resigned as directors and sold their shares in December 2016.

## **10. CREDITORS' RIGHTS**

### **Right to request further information**

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been incurred during the period of this progress report.

### **Right to make an application to court**

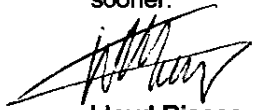
Pursuant to Rule 18.34 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the



expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

## 11. CONCLUSION

We will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner.

A handwritten signature in black ink, appearing to read 'Lloyd Biscoe', is written over a horizontal line.

**Lloyd Biscoe**  
Joint Liquidator

Dated: 28 March 2018

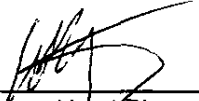
# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 9 February 2017 to 8 February 2018

**National Electrical Wholesale Limited**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**  
**To 08/02/2018**

S of A £		£	£
	<b>SECURED ASSETS</b>		
132,000.00	Book Debts	NIL	
(650,000.00)	Factor 21 PLC	NIL	
Uncertain	Overseas Freehold Property	NIL	
2,000.00	Client Data Base	NIL	
			NIL
	<b>SECURED CREDITORS</b>		
(144,872.18)	Metro Bank PLC	NIL	
(78,258.66)	NEW Pension Scheme	NIL	
			NIL
	<b>ASSET REALISATIONS</b>		
1,750.00	Office Furniture	750.00	
1,000.00	Fixtures and Fittings	1,000.00	
NIL	Motor Vehicles	NIL	
17,500.00	Stock	10,250.00	
Uncertain	Sundry Debtors	NIL	
NIL	Cash at Bank	NIL	
Uncertain	Directors Loan Account	NIL	
Uncertain	Prepayments	NIL	
	Investment in Subsidiary	2,000.00	
	Bank Interest Gross	0.35	
	Plant/Machinery	1,000.00	
	Goodwill	2,000.00	
			17,000.35
	<b>COST OF REALISATIONS</b>		
	Statement of Affairs Fee	10,000.00	
	Agents/Valuers Fees (1)	3,645.83	
			(13,645.83)
	<b>PREFERENTIAL CREDITORS</b>		
(13,583.50)	RPO re Arrears/Holiday Pay	NIL	
(470.37)	Employees re Arrears/Hol Pay	NIL	
			NIL
	<b>UNSECURED CREDITORS</b>		
(849,502.07)	Trade Creditors	NIL	
(750.43)	Employees	NIL	
(37,291.88)	RPO	NIL	
(56,157.47)	Directors	NIL	
(195,137.42)	HMRC	NIL	
			NIL
	<b>DISTRIBUTIONS</b>		
(100.00)	Ordinary Shareholders	NIL	
			NIL
<b>(1,871,873.98)</b>			<b>3,354.52</b>

**National Electrical Wholesale Limited  
(In Liquidation)  
Joint Liquidators' Summary of Receipts & Payments  
To 08/02/2018**

S of A £	£	£
REPRESENTED BY Bank 1 Current		3,354.52
		<b>3,354.52</b>
		
	Lloyd Biscoe Joint Liquidator	

## TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 9 February 2017 to 8 February 2018.

## **BEGBIES TRAYNOR CHARGING POLICY**

### **INTRODUCTION**

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance<sup>1</sup> requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance<sup>2</sup> indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

### **OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

### **EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

Best practice guidance classifies expenses into two broad categories:

- ☐ **Category 1 disbursements (approval not required)** - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ☐ **Category 2 disbursements (approval required)** - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

The following items of expenditure are charged to the case (subject to approval):

Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting;  
Car mileage is charged at the rate of 45 pence per mile;  
Storage of books and records (when not chargeable as a *Category 1 disbursement*).

In addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as *Category 2 disbursements*. The following items of expenditure which relate to services provided by entities within the Begbies Traynor Group are to be charged to the case (subject to approval):

#### ***Services provided by other entities within the Begbies Traynor group***

The following items of expenditure which relate to services provided by entities within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval):

Instruction of Eddisons Commercial Limited to provide assistance with the sale of assets. Their charges will be based on a percentage of realisations plus disbursements.

Instruction of Eddisons Commercial Limited to provide a valuation of the Company's physical assets. Their charges will be based on a fixed fee to be agreed plus disbursements.

In addition to the services detailed above, it may become necessary to instruct Eddisons Commercial Limited to provide additional services, not currently anticipated, during the course of the case. In such circumstances and to avoid the costs associated with seeking further approval, the charges for such services will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows:

Grade of staff	Charge-out rate (£ per hour)
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

Instruction of Eddisons Insurance Services Limited to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the

case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The costs of insurance cover for subsequent quarter periods will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case. Eddisons Insurance Services Limited is not paid from the assets of the estate for the services it provides. In accordance with standard insurance industry practice, Eddisons Insurance Services Limited will receive payment of commission for the services it provides directly from the open cover insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

#### ***Services provided by an entity in which an Office Holder has an interest***

The following items of expenditure which relate to services provided by an entity that a licensed insolvency practitioner within the firm has an interest in, are also to be charged to the case (subject to approval):

Storage of books and records (when not rechargeable as a *Category 1 expense*) is charged by Archive Facilities (Southend) Limited, an associated company. The rates applying as at the date of this report are: Minimum charge of £40 per quarter for up to three boxes; Four to Two Hundred Boxes charged at £11 per quarter per box; over two hundred boxes are charged at half the aforementioned price, (£5.50 per box per quarter). Mileage for collection of books and records is charged at 55p per mile. Provision of cardboard box charged at £2.75 per box. Where Archive Facilities (Southend) Limited are required to physically pack the books and records, there is a minimum charge of 2 hours at £15 per hour per person required, and at £15 per hour for each hour thereafter. All figures stated are net.

The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*:

Telephone and facsimile, Printing and photocopying, Stationery

### **BEGBIES TRAYNOR CHARGE-OUT RATES**

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Southend-on-Sea as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour)	Charge-out rate (£ per hour)
	1 May 2011 – 30-Apr-16	1 May 2016 – until further notice
Partner	495	495-550
Director	395	395
Senior Manager	365	365
Manager	315	315
Assistant Manager	270	285
Senior Administrator	235	250
Administrator	185	220
Trainee Administrator	160	n/a
Junior Administrator	n/a	160
Support	160	n/a
cashier	n/a	160
secretarial	n/a	160

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

The office holder may use the services of BTG Contentious Insolvency Division during the course of the case. BTG Contentious Insolvency Division is a specialist department of the office holder's firm which provides forensic investigating services. The current charge-out rates applying to work carried out by BTG Contentious Insolvency Division are as follows:

Grade of staff	Charge-out rate (£ per hour)	Charge-out rate (£ per hour)
	1 May 2011 – 30-Apr-16	1 May 2016 – until further notice
Director	395	395
Senior Manager	365	365
Assistant Manager	270	285

<sup>1</sup> Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

<sup>2</sup> Ibid 1

SIP9 National Electrical Wholesale - Creditors Voluntary Liquidation - 03NA113 CVL : Time Costs Analysis From 09/02/2017 To 08/02/2018

Staff Grade	Consultant/Partner	Director	Supr /Mng	Mngr	Asst Mngr	Supr Admin	Admin	Adv Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning												
Case planning	0.9	4.7			1.0	0.5				7.1	2,599.50	368.13
Administration	0.6				2.0	2.2		9.6		14.4	2,830.00	196.53
<b>Total for General Case Administration and Planning:</b>	<b>1.5</b>	<b>4.7</b>			<b>3.0</b>	<b>2.7</b>		<b>9.6</b>		<b>21.8</b>	<b>5,429.50</b>	<b>252.63</b>
Compliance with the Insolvency Act, Rules and best practice												
Appointment						1.0				1.0	235.00	235.00
Banking and Bonding	0.1						0.8	1.1	2.0	4.0	863.50	170.88
Case Closure												0.00
Statutory reporting and statement of affairs		1.4				8.1				9.5	2,456.50	258.58
<b>Total for Compliance with the Insolvency Act, Rules and best practice:</b>	<b>0.1</b>	<b>1.4</b>				<b>8.1</b>	<b>0.8</b>	<b>1.1</b>	<b>2.0</b>	<b>14.8</b>	<b>3,376.00</b>	<b>232.78</b>
Investigations	2.2				4.6	3.3				10.1	2,888.50	285.79
CCDA and investigations												
<b>Total for Investigations:</b>	<b>2.2</b>				<b>4.6</b>	<b>3.3</b>				<b>10.1</b>	<b>2,888.50</b>	<b>285.79</b>
Realisation of assets												
Debt collection												0.00
Property, business and asset sales	2.2	3.2			1.8	6.1				13.3	4,052.50	304.70
Retention of Third/Party assets												0.00
<b>Total for Realisation of assets:</b>	<b>2.2</b>	<b>3.2</b>			<b>1.8</b>	<b>6.1</b>				<b>13.3</b>	<b>4,052.50</b>	<b>304.70</b>
Trading												0.00
Trading												0.00
<b>Total for Trading:</b>												<b>0.00</b>
Dealing with all creditors (claims, employees, correspondance and distributions)												0.00
Secured												0.00
Others	0.1	0.5			1.7	9.4	0.9	5.9		18.5	4,015.50	217.05
Creditors committee												0.00
<b>Total for Dealing with all creditors (claims, employees, correspondance and distributions):</b>	<b>0.1</b>	<b>0.5</b>			<b>1.7</b>	<b>9.4</b>	<b>0.9</b>	<b>5.9</b>		<b>18.5</b>	<b>4,015.50</b>	<b>217.05</b>
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel												0.00
Seeking decisions of creditors												0.00
Meetings												0.00
Other						1.9				1.9	448.50	235.00
Tax					0.5	0.5		1.7		2.7	524.50	194.26
Litigation												0.00
<b>Total for Other matters:</b>					<b>0.5</b>	<b>2.4</b>		<b>1.7</b>		<b>4.6</b>	<b>871.00</b>	<b>211.09</b>
Total hours by staff grade:	8.1	9.8			11.6	33.0	1.7	18.3	2.0	82.5		
Total time cost by staff grade:	2,405.50	3,871.00			3,132.00	7,765.00	314.50	2,825.00	320.00		20,730.00	
Average hourly rate £:	395.00	395.00		0.00	270.00	235.00	185.00	160.00	160.00			251.27
Total fees drawn to date £:											0.00	

# STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Statutory Advertising	The Stationery Office	164.00	0.00	164.00
Postage	The Royal Mail	192.96	0.00	192.96
Travel	C2C	18.40	0.00	18.40
Specific Bond	Insolvency Risk Services	18.00	0.00	18.00
Expenses incurred with entities within the Begbies Traynor Group ( <i>for further details see Begbies Traynor Charging Policy</i> )				
Photocopying	Begbies Traynor (Central) LLP	442.20	0.00	442.20