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Liquidator's Annual Progress Report to Creditors

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Tiara Clothing Limited
- In Compulsory Liquidation
4 March 2014

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1 Introduction and Statutory Information

- 1 1 I, Ian Mark Defty of Kingston Smith & Partners LLP, 105 St Peter's Street, St Albans, Herts AL1 3EJ, was appointed as Liquidator of Tiara Clothing Limited ("the Company") on 11 January 2013 following the presentation of a petition for the compulsory winding up of the Company made on 26 January 2012 in the Leicester County Court under court reference number 304 of 2012. This report provides an update on the progress in the liquidation for the year ended 10 January 2014.
- 1 2 The main trading activities of the Company involved the design, manufacture and selling of a wide range of fashion garments within the clothing industry.
- 1 3 The Registered Office of the Company has been changed to 105 St Peter's Street, St Albans, Herts AL13EJ and its registered number is 05196250.
- 1 4 The trading address of the Company is 55 Forest Road, Leicester LE5 0DW. The business is also known to have traded under the name of "Tiara".
- 1 5 According to information held by the Registrar of Companies Sanjeev Sobti ("Mr Sobti") and Nema Chauhan ("Miss Chauhan") were both appointed as directors of the Company on 3 August 2004. The Company Secretary prior to the date of the making of the winding up order was Miss Chauhan.

2 Realisation of Assets

Cash at bank

- 2 1 During the course of the last twelve months I have realised the sum of £103,280.71 which had previously been held by the Official Receiver.

Moreglam Limited – in liquidation

- 2 2 A cheque in the sum of £24,158.49 representing a full and final dividend of 1.37 pence in the £ on a claim of £1,757,989.07 was paid into the liquidation estate on 30 July 2013.
- 2 3 In accordance with Statement of Insolvency Practice No 13 (SIP13), I would advise you that no assets have been sold to the director of the Company.

3 Investigations

- 3 1 As you may be aware, in a compulsory liquidation the duty to investigate the Company's affairs is the responsibility of the Official Receiver. There is no requirement on the Liquidator to submit a report or return on the directors' conduct to the Department for Business Innovation and Skills, however where matters are brought to the Liquidator's attention these are reported as appropriate to the Official Receiver for further consideration.
- 3 2 I would confirm that I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate and that may need reporting to the Official Receiver. This assessment took into account information provided by creditors either at the initial meeting or as a response to my request to complete an investigation questionnaire. My investigations have not revealed any issues requiring further report.
- 3 3 During the course of the last twelve months I have carried out a detailed review of the Company's bank statements and limited accounting records. My staff also met with Miss Chauhan and her appointed representative.

3 4 Further investigations then revealed that Mr Sobti had been declared personally bankrupt on 20 November 2012. Although his Trustee in Bankruptcy has recently accepted a claim for £210,570 he has also confirmed that there is currently little or no prospect of a dividend becoming payable to Mr Sobti's unsecured creditors.

3 5 At the same time my Solicitors are now making further enquiries into Miss Chauhan's overdrawn loan account. The former director has also been invited to make an offer for the Company's former trading name and a further update from her appointed representative is expected shortly.

4 Creditors

Secured Creditors

4 1 My enquiries have revealed that the Company has no secured creditors.

Preferential Creditors

4 2 I am not currently aware of any preferential creditors.

Unsecured Creditors

4 3 I have received claims totalling £768,577 from one creditor. I have yet to receive claims from three creditors whose debts total £25,505 as per the Official Receiver's report on the Company.

4 4 On information currently available, a dividend will ultimately become payable to the unsecured creditors of the Company, although I am unable to estimate the timing and quantum at present.

5 Liquidator's Remuneration

5 1 The creditors approved that the basis of the Liquidator's remuneration be fixed by reference to the time properly spent by him and his staff in managing the liquidation at a meeting of creditors held on 15 March 2013.

5 2 My time costs for the period from 11 January 2013 to 10 January 2014 are £54,691.79. This represents 177.08 hours at an average rate of £308.85 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by me in managing the liquidation.

5 3 The heading "Administration & Planning" includes the setting up of internal files, statutory filing with the Registrar of Companies and Books & Records administration. The main work activities associated with "Investigations" are Records Examination, conducting third party enquiries and meeting with the former Directors. To date, £41,231.70 plus disbursements of £565.11 have been drawn on account.

5 4 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from www.kspllp.co.uk/creditorsguidetofees

5 5 Attached as Appendix C is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade.

5 6 Since the 11 January 2013 the following Category 2 disbursements have been taken,

DESCRIPTION	£
Photocopies	19 50
Postage	6 60
TOTAL	26.10

6 Liquidator's Expenses

6 1 The following expenses have been incurred since my appointment as liquidator,

Supplier/ Service Provider	Nature of expense incurred	Amount incurred to date £	Paid to date £	Amount Outstanding £
Summit Law LLP	Legal costs	3,234 17	0 00	3,234 17
Marsh Limited	Insurance premiums	210 00	210 00	0 00
Companies House	Searches	8 00	5 00	3 00
HM Land Registry	Searches	26 00	9 00	17 00
TMP Limited	Statutory Advertising	142 38	142 38	0 00
JG Collection Services Limited	Storage & File Retrieval	87 36	12 48	74 88
First Class	Transcription Costs	149 15	149 15	0 00
First Capital Connect	Travel Costs	11 00	11 00	0 00

7 Creditors' rights

7 1 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) may request in writing that the liquidator provide further information about his remuneration or expenses which have been itemised in this progress report

7 2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the liquidator, as set out in this progress report, are excessive

8 Next Report

- 8.1 I am required to provide a further report on the progress of the liquidation within two months of the end of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final progress report ahead of convening the final meeting of creditors

Yours faithfully

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end.

IAN M DEFTY
Liquidator


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Appendix A

**Receipts and Payments Account from 11 January 2013
to 10 January 2014**

**Tiara Clothing Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments**

Statement of Affairs		From 11/01/2013 To 10/01/2014
	ASSET REALISATIONS	
103,249 94	Cash at Bank	103,280 71
	Dividends	24,158 49
	Bank Interest Gross	544 77
		127,983 97
	COST OF REALISATIONS	
	O R Remuneration	2,235 00
	DTI Cheque Fees	0 15
	Sec of State Fees	22,405 17
	Petitioners Costs	830 00
	Office Holders Fees	41,231 70
	Office Holders Expenses	565 11
	Tax Deducted at Source	108 96
	Bank Charges	88 00
		(67,464 09)
103,249.94		60,519 88
	REPRESENTED BY	
	Vat Receivable	8,359 37
	ISA IB	60,519 88
	Vat Control Account	(8,359 37)
		60,519 88


 Ian Defly
 Liquidator

APPENDIX B

**Time Analysis for the period 11 January 2013 to 10
January 2014**

Tiara Clothing Limited

Summary of Fees and Expenses

From 11/01/2013 to 10/01/2014

Time Costs

The following is a summary of the time costs incurred by the Office Holder and his staff in the administration of this matter. It should be read in conjunction with the Office Holder's Report for the period referred to above.

Work Activity	Partner Hrs	Manager / Supervisor Hrs	Administrator Hrs	Other Hrs	Total Hrs	Time Costs (£)	Average Costs (£)
Administration & Planning	2 67	32 42	2 67	1 25	39 00	14,825 81	380 15
Case Planning/Information	2 50	19 33			21 83	9 355 31	428 49
General Admin/Billing/Filing	0 08	6 67	0 67		7 42	3,072 92	414 33
Statutory filing with Court, Companies	0 08	1 00			1 08	258 08	238 23
Books & Records administration		1 08			1 08	433 33	400 00
Cashiering - set-up, maintenance &		0 25			0 25	55 50	222 00
Dealing with company/Debtor re		1 00			1 00	400 00	400 00
Post Appointment VAT & CTax		1 50			1 50	426 00	284 00
Set-up Administration/IPS/Initial		0 50	2 00	1 25	3 75	484 50	129 20
Strategy reviews/Checklists/Diary		1 08			1 08	340 17	314 00
Realisation of Assets	0 08	0 58		0 08	0 75	182 00	242 67
Identification, securing insuring &	0 08	0 58		0 08	0 75	182 00	242 67
Creditors	0 08	10 08			10 17	4,088 07	402 11
Correspondence/Preparation of	0 08	9 08			9 17	3,688 07	402 33
Claims/Proofs		1 00			1 00	400 00	400 00
Investigations		81 75	0 92		82 67	33,593 41	406 37
Information capture/initial		29 00			29 00	10,220 50	352 43
Other scheduling & information		12 50			12 50	4,999 99	400 00
Retrieval, review & analysis of debtors		0 67			0 67	266 66	399 99
SIP 2 review & CDDA reporting		0 50			0 50	200 00	400 00
Strategy, planning, meetings and		39 08	0 92		40 00	17,906 26	447 66
Other			13 50	31 00	44 50	2,002 50	45 00
Compulsory Winding Up Order			13 50	31 00	44 50	2,002 50	45 00
Grand Total	2 83	124 83	17 08	32 33	177 08	54,691 79	

Notes

1 All costs are shown excluding VAT and include an element of undrawn work in progress. It should also be noted that the office holder's fees and other expenses included in his Abstract Receipts and Payments, will include irrecoverable VAT where the insolvent was not formerly registered for VAT.

2 The time accounting system utilised by Kingston Smith & Partners LLP does not allow for analysis of time, by task, prior to 30 November 2002.

Disbursements

Category 1 Disbursements

633 89

These are out of pocket expenses which are directly attributable to the case. These are charged to the case and billed as funds allow.

Category 2 Disbursements

These are costs which are allocated to the case, where no direct costs are applicable. In this case, category 2 disbursements have been charged to the case as follows:

Photocopies	19 50
Postage	6 60
	26 10

Appendix C

ADDITIONAL INFORMATION IN RELATION TO LIQUIDATOR'S FEES PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9 (SIP9)

1 Policy

Detailed below is Kingston Smith & Partners LLP policy in relation to

- Staff allocation and the use of subcontractors
- Professional advisors
- Disbursements

1.1 *Staff allocation and the use of subcontractors*

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will usually consist of a Partner, Manager, Administrator and/or an Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case.

We are not proposing to utilise the services of any sub-contractors in this case.

1.2 *Professional advisors*

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Summit Law LLP (legal advice)	Set Fee
Marsh Limited (insurance)	Scale Rate

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

1.3 *Disbursements*

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

On this case the following Category 2 disbursements have been incurred since 11 January 2013,

Type and purpose	£
Photocopies	19 50
Postage	6 60

2 Charge-out rates

A schedule of Kingston Smith & Partners LLP charge-out rates was issued to creditors at the time the basis of the Liquidator's remuneration was approved. Below are details of this firm's charge out rates which have been applied with effect from 1st November 2013

	Per Hour £
Partner	433/695
Senior Manager	314/550
Manager	260/495
Other Senior Professionals	
Supervisor	238/350
Senior Administrator	222
Administrator	167/250
Junior Administrator	140
Support Staff	
Experienced Cashier	238
Cashier	167
Support	105

Please note that this firm records its time in minimum units of 5 minutes