

WU07

Notice of progress report in a winding-up by the court



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 5 3 2 9 7 9 5
Company name in full Midland Furniture Auctions Limited

→ **Filling in this form**
Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Michael
Surname Gillard

3 Liquidator's address

Building name/number Mackenzie Goldberg Johnson Limited, Scope House
Street Weston Road
Post town Crewe
County/Region
Postcode C W 1 6 D D
Country

4 Liquidator's name

Full forename(s)
Surname

● **Other liquidator**
Use this section to tell us about
another liquidator.

5 Liquidator's address

Building name/number
Street
Post town
County/Region
Postcode
Country

● **Other liquidator**
Use this section to tell us about
another liquidator.

WU07

Notice of progress report in a winding-up by the court

6 Period of progress report

From date	0	1	0	9	2	0	2	0
To date	3	1	0	8	2	0	2	1

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X 

X

Signature date

^d 1 ^d 7 ^m 0 ^m 9 ^y 2 ^y 0 ^y 2 ^y 1

**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.

Michael Gillard

Mackenzie Goldberg Johnson Limited

Scope House

Weston Road

Crewe

Postcode

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DX

01270 212 700

**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 or email 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



Mackenzie Goldberg Johnson

Business Recovery & Insolvency

Midland Furniture Auctions Limited In Liquidation (“the Company”)

In the Manchester District Registry No. 309 of 2020

Liquidator’s Progress Report to Members & Creditors

17 September 2021

Report For The Period Ending

31 August 2021

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1. Receipts and Payments Account
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1. INTRODUCTION

The purpose of this report is to detail the acts and dealings of the Liquidator for the year ended 31 August 2021 and it should be read in conjunction with the previous correspondence to creditors.

2. STATUTORY INFORMATION

Company Name:	Midland Furniture Auctions Limited ("the Company")
Nature of Business:	Auctioneers
Company Number:	05329795
Registered Office:	Mackenzie Goldberg Johnson Limited, Scope House, Weston Road, Crewe, CW1 6DD
Former Registered Office:	Unit 10 Grange Close, Clover Nook Industrial Park, Alfreton, Derbyshire, DE55 4QT
Court:	Manchester District Registry
Court Number and Year:	309 of 2020
Liquidator's Name:	Michael Gillard ("the Liquidator")
Liquidator's Address:	Mackenzie Goldberg Johnson Limited, Scope House, Weston Road, Crewe, CW1 6DD
Date of Petition:	17 March 2020
Date of Winding up Order:	8 June 2020
Liquidator's Appointment Date:	1 September 2020
Appointed by:	The Secretary of State

3. BACKGROUND INFORMATION

Nature of assignment

The Company was incorporated on 11 May 2005 and traded as auctioneers selling ex-display furniture from premises in Alfreton in Derbyshire.

In the Official Receiver's report to creditors dated 30 June 2020 creditors were advised that the Company claimed to have traded well until demand began to reduce in 2019. The Company was unable to recover from this loss of business.

The winding up order was made on 8 June 2020 following a petition presented on 17 March 2020 by HTL (UK) Limited.

Liquidator's initial assessment

On review of the handover information from the Official Receiver the estate appeared to comprise of stock and an overdrawn director's loan account. These assets were estimated to realise £1,000.

Liquidator's initial strategy

In order to progress matters, the initial strategy included the following tasks:

- Notification of appointment to be circulated to all known creditors and appropriate bodies.
- Complete the required notices regarding the Company pension scheme and liaise with Evolve IS ("Evolve") to report on any potential claim to be submitted to the Redundancy Payments Office ("RPO") for arrears of pension contributions.
- Confirm appointment as Liquidator with John Pye & Sons ("John Pye") as they had been instructed by the Official Receiver to value, recover and sell the Company assets.
- Notify the Company's bank of the Liquidator's appointment and request a closing bank statement.
- Arrange for the Company's books and records to be delivered, boxed and scheduled to assist with the Liquidator's investigations.

4. LIQUIDATOR'S ACTIONS SINCE APPOINTMENT

4.1 Administration & Planning

This represents the work that is involved in the routine administrative functions of the case by the Liquidator and his staff, together with the control and supervision of the work done on the case by the Liquidator and his staff. It does not give direct financial benefit to the creditors but must be undertaken to meet the requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out the required procedures that Liquidators must follow.

A description of the routine work undertaken since appointment is as follows:

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to staff to undertake the work on the case.
- Setting up an electronic case file.
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and others required on appointment as Liquidator, including placing an advertisement in the London Gazette of the Liquidator's appointment.
- Obtaining a specific penalty bond (this is insurance required by statute that every Liquidator must obtain for the protection of each estate).
- Compliance with money laundering and data protection regulations.
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining, and managing the Liquidator's estate bank account.
- Creating, maintaining, and managing the Liquidator's cashbook.
- Undertaking regular reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond periodically.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by the case administrators.
- Preparing a report for creditors to consider and vote on the Liquidator's remuneration.
- Liaising with HM Revenue & Customs ("HMRC") regarding the outstanding VAT 100 returns due for completion.
- General day to day duties including dealing with creditor correspondence, filing, and cashiering.

Anticipated work to be done is detailed below:

- Ongoing case planning - reviewing the appropriate strategy for dealing with the case and giving instructions to staff to undertake the work on the case.
- Ongoing compliance with money laundering and data protection regulations.

- Dealing with all routine correspondence and emails relating to the case.
- Maintaining and managing the Liquidator's estate bank account.
- Maintaining and managing the Liquidator's cashbook.
- Undertaking regular reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond periodically.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by the case administrators.
- Finalise the report for creditors to consider and vote on the Liquidator's remuneration.
- Distributing the above report and notice of the decision procedure to creditors for them to consider and vote on the Liquidator's remuneration.
- Recording the creditors responses to the decision procedure seeking to approve the Liquidator's remuneration.
- Preparing, reviewing, and issuing annual progress reports to creditors and members.
- Continue to liaise with HMRC regarding the VAT 100 returns which have yet to be received by the Liquidator.
- Preparing and filing VAT returns, including the VAT 100's, a VAT 7 to de-register, and on-going VAT 426 reclaims all to account to HMRC for the period of the liquidation.
- Preparing and submitting the annual CT600 to ensure the Corporation Tax liabilities are met for the period of the liquidation.
- General day to day duties including dealing with creditor correspondence, filing, and cashiering.
- Completing a pre-closure review to ensure there are no outstanding matters or potential realisations to be made.
- Filing the final VAT return with HMRC and requesting clearance for closure.
- Filing the final Corporation Tax return with HMRC and requesting clearance for closure.
- Preparing and issuing a final account on the liquidation to all relevant parties to include the Registrar of Companies, the Court, the Secretary of State, and the Official Receiver.

Actual time costs incurred in this category to 31 August 2021 amount to £10,830, representing 51.6 hours work charged at an average charge out rate of £209.88 per hour.

Additional time costs are anticipated to amount to £13,750, representing 69 hours work at an average charge out rate of £199.28 per hour.

The above work has been and will be necessary to ensure the Liquidator fulfils his duties but has not and may not provide any direct financial benefit to the liquidation.

4.2 Investigations

The insolvency legislation provides the Liquidator with the necessary powers to take recovery action in respect of what are known as antecedent transactions, where assets may have been disposed of prior to the commencement of the insolvency procedure, and in respect of matters such as misfeasance and wrongful trading. An investigation in all cases is undertaken to determine whether there are potential recovery actions for the benefit of creditors and the time costs recorded represent the costs of undertaking such an investigation, this is a statutory requirement. The Official Receiver has the overall investigatory duty in respect of a compulsory winding up, and as such any findings are reported to them to help with their investigations.

To fulfil the above statutory requirements, time has been incurred conducting an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved.

The books and records of the Company were retrieved, and the contents were reviewed and scheduled to assist with these investigations. Further analysis of the Company's financial records was also undertaken.

The work carried out was necessary to comply with the Liquidator's statutory requirements. The Liquidator identified the following areas where further investigation was necessary:

- Pre- appointment transactions including those with connected parties.
- The use and movements within the director's loan account.

Time has been spent carrying out the following:

- Reviewing the Company's bank statements.
- Reviewing the records provided by the Official Receiver.
- Attempting to liaise with the Company director.

Anticipated work to be done is detailed below:

- Continue investigations in respect of the pre-appointment transactions.
- Liaise with any other third party where required.
- Seek independent legal advice in relation to these matters and if appropriate, issue legal proceedings.

Actual time costs incurred in this category to 31 August 2021 amount to £3,427.50, representing 17.9 hours work charged at an average charge out rate of £191.48 per hour.

Additional time costs are anticipated to amount to £3,300, representing 13 hours work at an average charge out rate of £253.85 per hour.

The work carried out was necessary to comply with the Liquidator's statutory requirements. The Liquidator is currently unable to quantify the benefit to creditors of these investigations but will include such information in their statutory report to creditors once the position is clear.

4.3 Realisations of Assets

This is the work that is required to be undertaken to protect and then realise the known assets in this case.

It also includes work in connection with supervising the professional advisors that are instructed to assist in realising the Company's assets. More details about those professional advisors are set out later in this report. If the Company's assets are recovered, the Liquidator will first use the proceeds to meet the costs and expenses of the case and then distribute any balance to the creditors in the statutory order of priority.

Below is a table outlining the asset position as at 31 August 2021:

Asset Description	Estimated to Realise in the Official Receiver's Report dated 30/06/2020 (£)	Amount Realised in this Reporting Period (£)	Actual Realisations to 31/08/2021 (£)
Fixtures & Fittings	-	42.00	42.00
Motor Vehicles	-	208.33	208.33
Stock	1,000.00	4,439.00	4,439.00
Sundry Refund	-	500.00	500.00
Director's Loan Account	0.00	0.00	0.00
Total	1,000.00	5,189.33	5,189.33

Information was provided about the assets of the Company in the Official Receiver's report to creditors. The following is an update on that information.

Fixtures & Fittings

John Pye were instructed by the Official Receiver to value, recover and sell the Company assets. The fixtures & fittings included computer equipment which was sold via an on-line auction for £42. This was more than originally anticipated by the Official Receiver and no further realisations are expected from this source.

Motor Vehicles

Due to the poor condition of the Company's van, it was estimated to have no realisable value in the Official Receiver's report. The van was sold by John Pye for scrap and realised £208.22. No further realisations are expected from this source.

Stock

The stock included vintage furniture, mattresses, and personalised vehicle registration plates. The Official Receiver's report estimated these items would realise £1,000. The stock was sold at auction by John Pye and realised £4,439. No further realisations are expected from this source.

Sundry Refund

The Official Receiver advised the Liquidator there was a refund due to the Company in relation to an insurance refund. The Liquidator made further enquiries and £500 has been received. No further realisations are expected from this source.

Director's Loan Account

The Official Receiver's report estimated the director's loan account would realise nil.

The Company's financial accounts to the year ended 31 December 2019 recorded an overdrawn director's loan account of £278,400. The Liquidator has attempted to contact the director requesting proposals for repayment but to date no response has been received.

This matter is on-going and the estimated to realise figure is currently uncertain. The Liquidator is considering legal action and further details will be included in the next report to creditors once the position has been clarified.

Actual time costs incurred in this category to 31 August 2021 amount to £630, representing 2.8 hours' work charged at an average charge out rate of £225 per hour.

Additional time costs are anticipated to amount to £7,025, representing 29 hours work at an average charge out rate of £242.24 per hour.

The time costs incurred have been necessary to realise the assets of the Company, this has resulted in realisations totalling £5,189.33, adding value to the liquidation estate.

4.4 Creditors

The Liquidator is required to deal with the ex-employees to ensure that their claims are processed appropriately by the RPO. This work includes liaising with the instructed agents Evolve to deal with queries received from both the ex-employees and the RPO and to facilitate the processing of the claims. The Liquidator is required to undertake this work as part of his statutory functions.

The Liquidator is required to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The Liquidator must also deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The Liquidator is required to undertake this work as part of his statutory functions.

A description of the actual work undertaken in relation to creditors since appointment is as follows:

- Obtaining information from the Official Receiver about potential employee claims.
- Corresponding with Evolve in relation to the potential arrears of pension contribution claims.
- Dealing with creditor correspondence, emails, and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.

Anticipated work to be done is detailed below:

- Dealing with creditor queries which arise as a consequence of issuing the report in support of the decision procedure for creditors to consider the Liquidator's remuneration.
- Dealing with creditor queries which arise as a consequence of issuing the annual progress reports as well as the notice of the final meetings of members and creditors.
- Dealing with creditor correspondence, emails, and telephone conversations regarding their claims.
- Maintaining up to date information on the case management system.

Actual time costs incurred in this category to 31 August 2021 amount to £1,820, representing 8.7 hours work charged at an average charge out rate of £209.20 per hour.

Additional time costs are anticipated to amount to £1,850 representing 8.5 hours work at an average charge out rate of £217.65 per hour.

The above work has been and will be necessary to ensure the Liquidator fulfils his duties but has not and will not provide any direct financial benefit to the liquidation.

5. RECEIPTS & PAYMENTS ACCOUNT

Attached at Appendix 1 is a Receipts & Payments Account for the period from 1 September 2020 to 31 August 2021. All amounts are shown net of VAT.

The balance of funds is held in the Insolvency Services Account operated by The Insolvency Service. This account has been reconciled.

6. CREDITOR CLAIMS AND DIVIDEND PROSPECTS

Secured Creditor

There are no secured creditors in this matter.

The Prescribed Part

There are provisions of the insolvency legislation that require a Liquidator to set aside a percentage of a company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property" ("prescribed part"). A company's net

property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge.

Any costs of the liquidation that are payable before the Liquidator has reached a position to make a distribution to the floating charge holder have to be deducted from floating charge realisations before arriving at an amount for the "net property" of the Company. As a result, the costs associated with realising floating charge assets, paying preferential claims in full, the general costs of winding up and the costs of confirming the validity of the floating charge will have to be deducted before the "net property" is calculated. The "prescribed part" that the Liquidator then has to set aside for unsecured creditors is:

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property up to a maximum of £600,000 if the charge pre-dates 6 April 2020 otherwise a maximum of £800,000 applies.

As there are no charges registered over the assets of the Company, the prescribed part provisions will not apply.

Preferential creditors

There are no preferential creditors in this matter.

Non-preferential Unsecured Creditors

Number of Creditors	Official Receiver's Report dated 30/06/2020 (£)	Number of Submitted Claims	Submitted Claims Value (£)
30	331,398	11	261,377

The Official Receiver's report included non-preferential unsecured creditors with an estimated total liability of £331,398.

The submitted claims to date are higher than anticipated as the majority of claims are higher than anticipated in the Official Receiver's report.

A total of 19 creditors have yet to submit a claim, their initial estimated value was £91,110. A proof of debt form can be requested from this office by any creditor who has not yet submitted a claim.

Based on current known information about the Company's assets and liabilities, and after considering the anticipated Liquidator's fees and expenses, any future dividend will be dependent on the outcome of the Liquidator's investigations and on-going asset realisations.

8. REMUNERATION AND LIQUIDATOR'S EXPENSES

Liquidator's Remuneration

The Liquidator delayed seeking approval for the basis of his remuneration in this case until the initial investigations were concluded. The complexity of the liquidation has now been established and the Liquidator is in a position to predict the additional time costs which may be incurred.

A decision procedure to be held by correspondence has been convened by the Liquidator for creditors to consider the Liquidator's remuneration. The notice and report in support of this decision were issued on 3 September 2021 and the deadline for votes is 20 September 2021. The Liquidator is seeking to be remunerated on a time cost basis i.e., by reference to time properly spent by the

Liquidator and members of his staff at Mackenzie Goldberg Johnson Limited's standard charge out rates, based on a fee estimate of £42,632.50 plus VAT. This represents 200.5 hours work charged at an average charge out rate of £212.63 per hour.

If approved by creditors, the fee estimate provided acts as a cap where remuneration in excess of that fee estimate cannot be drawn without first seeking approval from the creditors.

The Liquidator's total time costs to 31 August 2021 amount to £16,707.50, representing 81 hours work charged at an average charge out rate of £206.27 per hour.

No remuneration has been drawn in this matter.

A detailed schedule of the time costs incurred to date is attached as *Appendix 2*.

Further work remains to be done and it is estimated that it will cost an additional £25,925 to complete representing 119.5 hours work charged at an average charge out rate of £216.95 per hour. This anticipated amount is broken down into individual categories earlier in the report.

As outlined above no remuneration has been drawn to date. It should be noted that despite the actual costs incurred and predicted, due to realisation constraints it is currently estimated that the Liquidator's remuneration will not be paid unless asset realisations are achieved.

Available at <http://mgjl.co.uk/case-report-login/> are as follows:

- A copy of 'A Creditors Guide to Liquidator's Fees' also published by R3;
- An explanatory note which shows Mackenzie Goldberg Johnson's Limited's current fee policy;

Should any creditor require a hard copy of either documents they will be made available free of charge by contacting this office.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk>

Liquidator's Expenses

Expenses are any payments from the estate which are neither the Liquidator's remuneration nor a distribution to a creditor or member. Expenses also include disbursements, disbursements are met by and reimbursed to Mackenzie Goldberg Johnson Limited from the estate.

Expenses are divided into two categories known as 'Category 1' or 'Category 2'.

Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the Liquidator. Category 1 expenses can be paid without prior approval from creditors.

Category 2 expenses are payments to associates or payments which have an element of shared costs. Before Category 2 expenses can be paid from the estate, whether directly as an expense or as a disbursement they require approval from creditors in the same manner as the Liquidator's remuneration.

Further explanation of expenses can be found with this annual progress report at <http://mgjl.co.uk/case-report-login/>

Should any creditor require a hard copy of this document they will be made available free of charge by contacting this office.

Midland Furniture Auctions Limited In Liquidation
Annual Progress Report
17 September 2021

Category 1 Expenses

Category 1 expenses to 31 August 2021 amount to £14,561.42 and are analysed below:

Type	Provider	Incurred	Paid	Estimated Future Cost	Estimated Total Cost
		(£)	(£)	(£)	(£)
Specific Bond	AON	189.75	0.00	0.00	189.75
IT Licence Fee	Vision Blue	110.00	0.00	0.00	110.00
Statutory Advertising	The Stationery Office	95.02	0.00	0.00	95.02
BIS Bank Charges	The Insolvency Service	88.00	88.00	275.00	363.00
Agents/Valuers Fees	John Pye & Sons Ltd	2,254.65	2,254.65	0.00	2,254.65
Official Receiver's Administration Fee	The Insolvency Service	5,000.00	5,000.00	0.00	5,000.00
Official Receiver General Fee	The Insolvency Service	6,000.00	6,000.00	0.00	6,000.00
Agents Disbursements	John Pye & Sons Ltd	674.00	674.00	0.00	674.00
Professional Fees	Evolve IS	150.00	0.00	0.00	150.00
Legal Costs		0.00	0.00	5,000 – 10,000	5,000 – 10,000
Total		14,561.42	14,016.65	5,275 – 10,275	19,836.42 – 24,836.42

The above amounts are exclusive of VAT. VAT is dealt with on a case-by-case basis and will be paid and reclaimed if applicable.

Category 1 Expenses paid by the Liquidator as a disbursement.

Specific Bond – AON

It is a requirement that the Liquidator has in place a bond which is sufficient to cover the value of the assets realised. In this matter the bond has been taken out with AON and a payment of £189.75 was paid by the Liquidator as a disbursement. This expense has not yet been recharged to the liquidation.

The value of the bond is reviewed on a periodic basis and if additional assets come to the Liquidator's attention, then the value of the bond may need to be increased, and an additional cost incurred. At present the value of the bond currently in place is considered sufficient.

IT Licence Fee – Vision Blue

Vision Blue is the provider of the electronic case management system. They charge a standard fixed fee of £110 which is a one-off payment and covers the licence for the use of the case management system for the duration of the liquidation. This expense has been paid by the Liquidator as a disbursement. This has not yet been recharged to the liquidation and no further licence fee is expected.

Statutory Advertising - London Gazette

It is a requirement that the Liquidator advertises his appointment (if applicable) in the London Gazette. The Liquidator used an external agency, The Stationery Office, to advertise the notice with the Gazette and for this a payment of £95.02 plus VAT was paid by the Liquidator as a

disbursement. This has not yet been recharged to the liquidation. No further expense for statutory advertising is expected unless a dividend becomes payable and a notice to prove will be required.

Category 1 Expenses paid directly to the provider.

BIS Bank Charges – Insolvency Service

There is a quarterly bank charge of £22 which is payable on the ISA bank accounts in January, April, July, and October each year. In addition to the quarterly fee, there is an additional fee of £1.10 per cheque and £0.15 per BACS payment raised from the account. The charges are applied automatically and to the date of this report, charges totalling £88 have been applied to the account.

It is anticipated that further bank charges will be incurred and in order to provide an estimate these have been estimated at £275 which is the quarterly charge for the next 36 months plus an additional £11 to cover any other payments. This will change should the case conclude sooner and will vary dependant on the payments made from the account.

Agents Costs / Disbursements – John Pye & Sons Ltd (“John Pye”)

John Pye was instructed by the Official Receiver prior to the Liquidator's appointment to provide a valuation, collect, and sell the physical assets of the Company.

John Pye's fees were agreed on a time costs basis by the Official Receiver for the following tasks: attending site and providing a valuation report, collection of the physical assets, delivery of the books and records to the Official Receiver, wiping the computer equipment, delivering books and records to the Liquidator's office and general administration including all telephone calls and emails. Their time costs totalled £1,551.25 plus VAT and have been paid in full.

John Pye also charged commission of 15% for selling the physical assets of the Company. Their commission based on the asset realisations of £4,689.33 totalled £703.40 plus VAT and has been paid in full.

John Pye incurred disbursements totalling £674 plus VAT. These charges included vehicle checks, collection expenses, marketing, and advertising costs. This amount has been paid in full.

It is not anticipated that any further expenses will be incurred in this regard.

Official Receiver's Administration Fee

In every liquidation for the performance by the Official Receiver of his general duties on the making of a winding up order, including his duty to investigate and report upon the affairs of the Company, there shall be a fixed fee payable of £5,000. This was paid in full prior to the Liquidators appointment and no future costs will be incurred in this respect.

The winding up order was made on a creditor petition, as such a deposit of £1,600 was paid into the ISA. Therefore, the balance reported on handover was £3,400 and is included in the receipts and payments account. No future costs will be incurred in this respect.

Official Receiver General Fee

In every liquidation for the performance of the Official Receiver's general duties under the insolvency legislation in relation to the administration of the estate of each liquidation, there shall be a fixed fee payable of £6,000. This was paid in full prior to the Liquidators appointment and no future costs will be incurred in this respect.

Category 1 Expenses incurred but not yet paid

Professional Fees –Evolve IS Limited ("Evolve")

The Liquidator has sub-contracted some of the work, which is required to be undertaken by him to meet the requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out the required procedures that liquidators must follow.

Evolve were instructed to provide a report on whether any claim was to be submitted to the RPO for unpaid pension contributions. This work has been necessary to ensure the Liquidator fulfils his duties but has not and may not provide any direct financial benefit to the liquidation.

Evolve charged £150 plus VAT which was agreed on a fixed fee basis. This amount has yet to be paid and no further expenses are anticipated.

This work could have been completed by the Liquidator and his staff; however, the costs would have exceeded £150 plus VAT.

The choice of professionals was based on the Liquidator's perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them. The Liquidator has reviewed the charges they have made and is satisfied that they are reasonable in the circumstances of this case.

Category 1 Expenses not yet incurred or paid

Legal Fees

If legal advice is required in relation to the loan amount owed by the director or should the outcome of the Liquidator's investigations require legal advice on any potential recovery action, legal costs may be incurred. These costs could amount to between £5,000 and £10,000 depending on the complexity of the potential claims and could be significantly more if the claims are disputed.

As at 31 August 2021 the total expenses are not anticipated to exceed £24,836.42.

Category 2 expenses

The Liquidator has not incurred and is not expected to incur any category 2 expenses.

9. FURTHER INFORMATION

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

Creditors should note that at <http://mgjl.co.uk/case-report-login/> the following documents are available:

- Provision of Services Regulations information which provides some general information about this firm including its complaints policy and Professional Indemnity Insurance;

- A privacy notice, confirming how Mackenzie Goldberg Johnson Limited uses personal information to fulfil the legal obligations of our insolvency practitioner under the Insolvency Act and other relevant legislation, and to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings.

10. CONCLUSION

The liquidation will continue to allow creditors to consider the basis of the Liquidator's fees and to conclude the investigations and asset realisations. It is estimated that this will take approximately 18 to 36 months and once resolved the liquidation will be finalised and the matter will be closed.

If you require any further information or require hard copies of the documents provided via website links please contact Rachel Hardy on 01270 212 700 or rachel@mgjl.co.uk



Michael Gillard
Liquidator of Midland Furniture Auctions Limited

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APPENDIX 1 - RECEIPTS AND PAYMENTS ACCOUNT

Midland Furniture Auctions Limited - In Compulsory Liquidation
Liquidator's Abstract of Receipts & Payments

From 01 September 2020 To 31 August 2021

S of A £	From 01/09/20
	To 31/08/21
ASSET REALISATIONS	
Fixtures & Fittings	42.00
Motor Vehicles	208.33
Stock	4,439.00
Sundry Refund	500.00
NIL	5,189.33
COST OF REALISATIONS	
BIS Bank Charges	(88.00)
Agents/Valuers Fees	(2,254.65)
Official Receiver Administration Fee	(3,400.00)
Official Receiver General Fee	(6,000.00)
Agents Disbursements	(674.00)
NIL	(12,416.65)
UNSECURED CREDITORS	
Bank	NIL
Trade Creditor	NIL
NIL	NIL
(0.00)	(7,227.32)

REPRESENTED BY

Vat Payable	(937.87)
Vat Receivable	585.73
ISA IB	(6,875.18)
	(7,227.32)



Michael Gillard
Liquidator

APPENDIX 2 - ANALYSIS OF TIME COST

Midland Furniture Auctions Limited

Actual Time Costs Incurred Between 01.09.2020 and 31.08.2021

Classification of Work Function	Partner/ Director	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	5.80	0.30	34.20	11.30	51.60	10,830.00	209.88
Investigations	0.00	0.00	13.10	4.80	17.90	3,427.50	191.48
Realisation of Assets	0.00	0.00	2.80	0.00	2.80	630.00	225.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.10	0.00	7.40	1.20	8.70	1,820.00	209.20
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	5.90	0.30	57.50	17.30	81.00		
Time Costs	2,065.00	75.00	12,837.50	1,730.00		16,707.50	
Average Hourly Rate	350.00	250.00	223.26	100.00			206.27

Anticipated Time Costs to be incurred from 01.09.2021 to conclusion

Classification of Work Function	Partner/ Director	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	5.00	4.00	40.00	20.00	69.00	13,750.00	199.28
Investigations	3.00	0.00	10.00	0.00	13.00	3,300.00	253.85
Realisation of Assets	4.00	0.00	25.00	0.00	29.00	7,025.00	242.24
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.50	0.00	7.00	1.00	8.50	1,850.00	217.65
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	12.50	4.00	82.00	21.00	119.50		
Time Costs	4,375.00	1,000.00	18,450.00	2,100.00		25,925.00	
Average Hourly Rate	350.00	250.00	225.00	100.00			216.95

Summary of Actual and Anticipated Time Costs to be incurred from 01.09.2020 to Conclusion

Classification of Work Function	Work Undertaken		Work to be Undertaken		Combined Totals		
	Hours	£	Hours	£	Hours	£	Average Hourly Rate
Administration & Planning	51.60	10,830.00	69.00	13,750.00	120.60	24,580.00	203.81
Investigations	17.90	3,427.50	13.00	3,300.00	30.90	6,727.50	217.72
Realisation of Assets	2.80	630.00	29.00	7,025.00	31.80	7,655.00	240.72
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	8.70	1,820.00	8.50	1,850.00	17.20	3,670.00	213.37
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	81.00	16,707.50	119.50	25,925.00	200.50	42,632.50	212.63