

LIQ03

Notice of progress report in voluntary winding up



Companies House

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A20 16/12/2019 #78
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A28 06/12/2019 #11
COMPANIES HOUSE

1 Company details

Company number 0 5 4 2 7 1 4 3
Company name in full MASTER INTERIORS (UK) LIMITED

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

2 Liquidator's name

Full forename(s) Peter
Surname Kubik

3 Liquidator's address

Building name/number Quadrant House
Street 4 Thomas More Square
Post town London
County/Region
Postcode E 1 W 1 Y W
Country

4 Liquidator's name ①

Full forename(s)
Surname

① Other liquidator
Use this section to tell us about
another liquidator.

5 Liquidator's address ②

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

② Other liquidator
Use this section to tell us about
another liquidator.

LIQ03

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6 Period of progress report

From date	^d 2	^d 1	^m 1	^m 1	^y 2	^y 0	^y 1	^y 8
To date	^d 2	^d 0	^m 1	^m 1	^y 2	^y 0	^y 1	^y 9

7 Progress report☒ The progress report is attached**8** Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 0	^d 5	^m 1	^m 2	^y 2	^y 0	^y 1	^y 9
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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 **Peter Kubik**Company name **UHY Hacker Young LLP**Address **Quadrant House****4 Thomas More Square**Post town **London**

County/Region

Postcode **E 1 W 1 Y W**

Country

DX

Telephone **020 7216 4600****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

**MASTER INTERIORS (UK) LIMITED
IN CREDITORS' VOLUNTARY LIQUIDATION**

ANNUAL PROGRESS REPORT

5 December 2019

Contents

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1. EXECUTIVE SUMMARY

- 1.1 This report details the acts and dealings of the Liquidator during the period 21 November 2018 to 20 November 2019 ('the Review Period') and should be read in conjunction with previous correspondence to creditors.
- 1.2 A summary of key information in this report is detailed below and statutory information regarding the Company is available at Appendix 1.

Assets

Asset	Estimated to realise per Statement of Affairs £	Realisations to date £	Anticipated future realisations £	Total anticipated realisations £
Plant and machinery	12,000.00	12,000.00	-	12,000.00
Bank interest	-	0.54	0.50	1.04
Total	12,000.00	12,000.54	0.50	12,001.04

Expenses / disbursements

Expense / disbursement	Amount per fees and expenses estimates £	Expense incurred to date £	Anticipated further expense to closure £	Total anticipated expense £
Pre-appointment fees	5,000.00	5,000.00	-	5,000.00
Liquidator's fees	9,900.00	5,529.50	4,370.50	9,900.00
Advertising	232.35	334.80	-	334.80
Agents fees	1,200.00	2,000.00	-	2,000.00
Bank charges	10.00	-	-	-
Bonding	30.00	80.00	-	80.00
Document storage	500.00	13.12	20.00	23.12
Legal fees	-	750.00	Uncertain	750.00
Pension services	-	220.00	-	220.00
Creditor Gateway fee	56.00	-	-	-
VisionBlue fee	110.00	110.00	-	110.00
Category 2 disbursements	1,615.00	-	50.00	50.00
Total	18,653.35	14,037.42	4,440.50	18,467.92

- 1.3 Additional Liquidator's and solicitors fees in excess of the above amounts may be incurred depending of the outcome of the ongoing investigations. Further details are provided below.

Dividend prospects

Creditor class	Distribution / dividend paid to date	Anticipated distribution / dividend, based upon the above
Secured creditor	Not applicable	Not applicable
Preferential creditors	Not applicable	Not applicable
Unsecured creditors	Nil	Insufficient funds

Summary of key issues outstanding

1.4 The following matters remain outstanding and further information is provided below:-

- Concluding the investigations into the Company's affairs to ascertain whether further action should be taken; and
- Preparing and issuing the final account to members and creditors.

Closure

1.5 Due to the outstanding issues it is difficult to estimate the timing of the closure of the Liquidation.

2. ADMINISTRATION AND PLANNING

Statutory information

2.1 The Liquidator is required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration of the case, which ensures that work is carried out to high professional standards. A detailed list of these tasks may be found in Appendix 3.

2.2 The Liquidator has met his statutory and regulatory duties to report to creditors, as listed below. In consideration of the need for transparency and engagement with creditors, care has been taken to ensure that reports and other communications with creditors have provided useful details of the strategies pursued and the outcomes anticipated. During the Review Period, the key document that has been issued is the notification to creditors of the Liquidator's appointment.

Other administration tasks

2.3 During the Review Period, the following material tasks in this category were regular periodic case reviews and case progression records.

3. ENQUIRIES AND INVESTIGATIONS

- 3.1 During the Review Period, the Liquidator carried out an initial review of the Company's affairs in the period prior to appointment. This included seeking information and explanations from the director by means of questionnaires, making enquiries of the Company's accountants, reviewing information received from creditors and collecting and examining the Company's bank statements, accounts and other records. The director provided the books and records and a completed questionnaire as well as a Statement of Affairs.
- 3.2 The information gleaned from this process enabled the Liquidator to meet his statutory duty to submit a confidential report on the conduct of the directors (past and present) to the Insolvency Service.
- 3.3 This work was also carried out with the objective of making an initial assessment of whether there were any matters that may lead to any recoveries for the benefit of creditors. This would typically include any potential claims which may be brought against parties either connected to or who have past dealings with the Company.
- 3.4 This initial assessment revealed matters concerning payments made prior to the Liquidation of the Company, which the Liquidator considered merited further investigation and work in this regard is ongoing. Creditors will be provided with further information in due course.
- 3.5 Although this work may not generate any financial benefit to creditors, it is necessary to meet the statutory duties as well as conduct appropriate enquiries and investigations into potential rights of actions to enhance realisations.

4. REALISATION OF ASSETS, COSTS AND EXPENSES

- 4.1 Detailed below is key information about asset realisations and strategy, however, more details about the work undertaken may be found at Appendix 3. The Liquidator formulated and worked through a realisation strategy that sought to maximise realisations net of costs. The financial benefit of those efforts is described further below.

Asset realisations

Plant and machinery

- 4.2 As per the report to creditors prepared in connection with the Section 100 meeting, agents Kumar and Company were instructed to arrange a valuation and sale of the Company's plant and machinery. Prior to the Liquidation a sale to the former director, Mrs Cheema was agreed for £12,000.00 plus VAT. Upon the Liquidation it became apparent that this sale completed prior to my appointment. The funds from
-

the sale of these assets were transferred following the Liquidation. Further information regarding this connected party transaction is detailed below.

Bank interest

- 4.3 Bank interest of £0.54 has been received in the Review Period.

Transactions with connected parties

- 4.4 Prior to the Liquidation Kumar and Company, who are professional independent agents with adequate professional indemnity insurance, were instructed to arrange a valuation and sale of the Company's assets.

- 4.5 In accordance with the guidance given in SIP13, details of the Company's transactions with connected parties during the two years prior to the Liquidator's appointment, the following information is provided regarding the sale of the Company's plant and machinery.

- The transaction was completed on 2 November 2018.
- The sale, which was completed by means of an invoice, included the Company's plant and machinery.
- The sale consideration totalled £12,000.00 plus VAT which was received in full on 21 December 2018.
- The purchaser was Mrs Cheema.
- The purchaser is connected to the Company as she was a former director.
- The Company was advised by Kumar and Company.
- As far as the Liquidator was aware, the purchaser was not independently advised.

- 4.6 The Liquidator has reviewed this transaction together with the advice of Kumar and Company. The agents weighed up the advantages of a swift sale, which would avoid the ongoing costs of storing and marketing the assets, against the potential of attracting a better offer albeit that this would involve incurring more costs. As Kumar and Company concluded that Mrs Cheema's offer was very likely to represent the best net realisation for the assets the Liquidator was happy that the sale was in the best interests of the creditors and no further action was considered necessary.
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Costs and expenses

Pre-appointment costs

Fixed fee agreed with the director and ratified by members and creditors

- 4.7 The creditors authorised the fee of £5,000.00 plus VAT for assisting the directors in calling the relevant meetings and with preparing the Statement of Affairs on 21 November 2018.
- 4.8 The fee for assisting with the Statement of Affairs and meetings was paid from first realisations on appointment and is shown in the enclosed receipts and payments account.

Liquidator's remuneration

- 4.9 It is the firm's practice to ensure that work is conducted by the appropriate staff member at the appropriate level of experience. Junior members of staff deal with the day to day administration on cases and a manager and partner then oversees the work undertaken. Where the issues are complex and litigious, the work will be closely supervised or undertaken by a manager or partner.
- 4.10 The basis of the Liquidator's fees was approved by creditors on 21 November 2018 in accordance with the following resolution:
- "That the basis of the Liquidator's fee be fixed by reference to the time properly given by the Liquidator and their staff in attending to matters arising in the winding-up, such time to be charged at the prevailing standard hourly charge out rates used by UHY Hacker Young LLP at the time when the work is performed, estimated to be £9,900.00 plus VAT".
- 4.11 The time costs for the period 21 November 2018 to 20 November 2019 total £5,529.50, representing 28.50 hours at an average hourly rate of £194.02. The sum of £3,500.00 plus VAT has been drawn on account of time costs incurred. The time costs for the period are detailed at Appendix 4.
- 4.12 A comparison between the original estimate and time costs to date is given at Appendix 5.
- 4.13 Having regard for the costs that are likely to be incurred in bringing this Liquidation to a close, the Liquidator considers that:
- The original fees estimate is likely to be exceeded; and
 - The original expenses estimate has been exceeded. The reasons for this are detailed at Appendix 5.
-

- 4.14 The fees estimate is likely to be exceeded due to the ongoing investigations detailed above. However, given the limited realisations in this case to date, the Liquidator will review the position with regard to fees when the prospect of recovering any funds becomes clearer.

Disbursements

- 4.15 The disbursements that have been incurred and not yet paid during the period are detailed at Appendix 6. Also included in Appendix 6 is a comparison of the expenses likely to be incurred in the Liquidation as a whole with the original expenses estimate, together with reasons where any expenses are likely to exceed that estimate.
- 4.16 The category 1 disbursements incurred in the Review Period total £527.80 and this remains outstanding. Category 2 disbursements of £115.00 have been incurred to date.

Other professional costs

Legal fees

- 4.17 Hewitsons solicitors were instructed on a fixed fee basis of £750.00 plus VAT to review and provide initial advice regarding the payments made prior to the Liquidation. Their fees of £750.00 plus VAT have been discharged in full. Hewitsons may be required to provide further advice once a response to the outstanding queries is received. Further information will be provided to creditors in the next report.

Agents fees – pension

- 4.18 SP Insolvency were instructed on a fixed fee basis of £220.00 to review and submit the relevant documentation to wind up the pension scheme operated by the Company. Their fees of £220.00 have been discharged in full.

Agents and valuers fees

- 4.19 Kumar & Co were instructed as agents and valuers in relation to the sale of the Company's assets prior to the Liquidation. Their fee £2,000.00 plus VAT was drawn from the asset realisations.
- 4.20 Information about this insolvency process may be found on the R3 website at <http://www.creditorinsolvencyguide.co.uk>. A copy of 'A Creditors' Guide to Fees' may be found at <https://www.uhy-uk.com/wp-content/uploads/Liquidations-Creditor-Fee-Guide-April-2017.pdf>. A hard copy may be obtained on request.

5. CREDITORS

- 5.1 Irrespective of whether sufficient realisations are achieved to pay a dividend to creditors, the Liquidator has had to carry out key tasks which are detailed in the list
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at Appendix 3. The following sections explain the anticipated outcomes to creditors and any distributions paid.

Secured creditors

- 5.2 The Company has not granted any charges over its assets.

Preferential creditors

- 5.3 There were no preferential creditors as per the Statement of Affairs and no such claims have been received.

Prescribed part

- 5.4 Where a floating charge is created after 15 September 2003 a prescribed part of the Company's net property shall be made available to unsecured creditors. The Company has not granted a floating charge to any creditor after 15 September 2003 and consequently there will be no prescribed part in this Liquidation.

Unsecured creditors

- 5.5 The Statement of Affairs included 10 unsecured creditors with an estimated total liability of £315,250.00. No sums were detailed as owed to HM Revenue & Customs ("HMRC"). To date 6 claims have been received totalling £140,231.30, which includes a claim from HMRC of £72,123.41 in relation to PAYE and VAT. Please be advised that proofs of debt are still being received and therefore the total value of unsecured claims is not known at present.
- 5.6 Based on the current information it is not expected that there will be sufficient funds for a distribution to unsecured creditors and no adjudication of the claims has been undertaken.

6. CREDITORS' RIGHTS

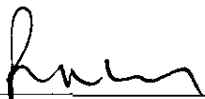
- 6.1 An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.
- 6.2 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.
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7. EU REGULATIONS (WHETHER PROCEEDINGS ARE MAIN PROCEEDINGS OR TERRITORIAL)

- 7.1 The Company's centre of main interest was Unit 15 Phoenix Road, Wednesfield, Wolverhampton WV11 3PX – former registered office and trading address and therefore it is considered that the EU Regulations will apply. These proceedings are main proceedings as defined in Article 3 of the EU Regulation.

8. CONCLUSION

- 8.1 The administration of the case will be continuing to complete the ongoing investigations into the payments made by the Company prior to the Liquidation.
- 8.2 If you require any further information, please contact this office.



Peter Kubik
Liquidator

Appendix 1 - Statutory information

Company name	Master Interiors (UK) Limited
Former trading name	None
Company number	05427143
Registered office	c/o UHY Hacker Young LLP, Quadrant House, 4 Thomas More Square, London, E1W 1YW
Former registered office	Unit 15 Phoenix Road, Wednesfield, Wolverhampton WV11 3PX
Officeholder	Peter Kubik
Officeholder's address	UHY Hacker Young LLP, Quadrant House, 4 Thomas More Square, London, E1W 1YW
Date of appointment	21 November 2018

Master Interiors (UK) Limited T/A Master Interiors UK - In Creditors' Voluntary Liquidation
Liquidator's Abstract of Receipts & Payments

From 21 November 2018 to 20 November 2019

S of A £	Total £
RECEIPTS	
12,000 Plant & Machinery	12,000.00
NIL Bank Interest Gross	0.54
Vat Payable	2,400.00
<u>12,000</u>	<u>14,400.54</u>
PAYMENTS	
Pre Appointment Fee	(5,000.00)
Liquidator's Remuneration	(3,500.00)
Agents/Valuers Fees	(2,000.00)
Legal Fees	(750.00)
Storage Costs	(4.80)
Pension Services	(220.00)
Vat Control Account	(850.83)
	<u>(12,325.63)</u>
BALANCE HELD IN INTEREST BEARING ACCOUNT	<u>2,074.91</u>

Appendix 3 - Detailed list of work undertaken for the period 21 November 2018 to 20 November 2019

Below is detailed information about the tasks undertaken by the Liquidator.

General Description	Includes
Statutory and General Administration	
Statutory/advertising	Filing of documents to meet statutory requirements Quarterly VAT returns Advertising in accordance with statutory requirements Bonding the case for the value of the assets
Document maintenance/file review/checklist	Filing of documents Periodic file reviews documenting strategy Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
Bank account administration	Preparing correspondence opening accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments
Planning / Review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
Books and records / storage	Dealing with records in storage Sending job files to storage
Pension scheme	Identifying whether there is a pension scheme Submitting the relevant notices if a pension scheme is identified Instructing agents to wind up any pension scheme Liaising and providing information to be able to finalise winding up the pension scheme
Reports	Circulating initial report to creditors upon appointment Disclosure of sales to connected parties
Investigations	
SIP 2 Review	Collection and making an inventory of company books and records Correspondence to request information on the company's dealings, making further enquiries of third parties Reviewing questionnaires submitted by creditors and directors Reconstruction of financial affairs of the company Reviewing company's books and records Preparation of deficiency statement

General Description	Includes
	Review of specific transactions and liaising with directors regarding certain transactions
Statutory reporting on conduct of director(s)	Preparing statutory investigation reports Liaising with Insolvency Service Submission of report with the Insolvency Service
Creditors and Distributions	
Creditor Communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post
Dealing with proofs of debt	Receipting and filing POD when not related to a dividend

Current charge-out rates for the firm

Time charging policy

Support staff charge their time to each case.

Support staff include cashier, secretarial and administration support.

The minimum unit of time recorded is 6 minutes.

Staff	Charge out rates £
Insolvency Practitioner/Partners	450.00-750.00
Directors	325.00-725.00
Senior Manager	300.00-400.00
Manager	280.00-350.00
Assistant Manager	200.00-300.00
Senior Administrator	150.00-250.00
Administrator	80.00-180.00
Junior Administrator	70.00-120.00
Secretarial/Administration support staff	0.00

Classification of work function	Partner	Director	Manager	Asst Manager	Snr Administrator	Administrator	Junior Administrator	Total Hours	Total Cost	Avg Hourly Rate
Hours	£	Hours	£	Hours	£	Hours	£		£	£
Administration & Planning										
Administrative Setup	0.00	0.00	0.00	0.00	0.50	0.00	0.00	0.50	82.50	165.00
Appointment Notification	0.00	0.00	0.00	0.00	2.80	0.00	0.00	2.80	462.00	165.00
Case Planning	0.70	0.00	0.00	0.80	8.40	0.00	0.30	10.20	2,046.50	200.64
Maintenance of Records	0.00	0.00	0.00	1.20	0.70	0.00	0.00	1.50	329.00	219.33
Statutory Reporting	0.00	0.00	0.00	0.00	0.50	0.00	0.00	0.50	90.00	180.00
Creditors										
Communication with Creditors	0.00	0.00	0.00	0.00	1.60	0.00	0.00	1.60	277.50	173.44
Creditors' Claims	0.50	0.00	0.00	0.00	1.30	0.00	0.00	1.80	459.00	255.00
Investigations										
SIP 2 Review	0.00	0.00	0.00	0.90	3.80	0.00	0.00	4.70	861.00	183.19
Antecedent Transactions	0.00	0.00	0.00	0.50	2.70	0.00	0.00	3.20	601.00	187.81
CDDA Reports	0.00	0.00	0.00	0.30	1.40	0.00	0.00	1.70	321.00	188.82
Case Specific Matters										
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL HOURS	1.20	0.00	0.00	3.70	21.30	0.00	0.30	26.50		
TOTAL TIME CHARGED (€)	£537.50	£0.00	£0.00	£850.00	£4,101.00	£0.00	£21.00		£5,529.50	
Average hourly cost (€)	464.58	0.00	0.00	229.73	176.01	0.00	70.00			194.02

All figures are shown net of VAT

Appendix 5

Time costs summary for period, cumulative and comparison with estimate

	Original fees estimate			Actual time costs incurred during the Review Period			Total time costs incurred to date		
Work category	No of hours	Blended hourly rate £/hr	Total fees £	No of hours	Average hourly rate £/hr	Total time costs £	No of hours	Average hourly rate £/hr	Total time costs £
Admin (including statutory reporting)	15.00	300.00	4,500.00	15.50	194.19	3,010.00	15.50	194.19	3,010.00
Realisation of assets	2.00	300.00	600.00	-	-	-	-	-	-
Creditors (claims and distribution)	8.00	300.00	2,400.00	3.40	216.62	736.50	3.40	216.62	736.50
Investigations	8.00	300.00	2,400.00	9.60	185.73	1,783.00	9.60	185.73	1,783.00
Total	33.00	300.00	9,900.00	28.50	194.02	5,529.50	28.50	194.02	5,529.50

Appendix 6

Expenses summary for period, cumulative and comparison with estimate

Below are details of the Liquidator's expenses for the period under review and the total to date.

Expenses and disbursements	Original expenses estimate (£)	Actual expenses incurred in the Review Period (£)	Actual expenses incurred to date (£)	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Expenses and category 1 disbursements				
Advertising	232.35	334.80	334.80	Increase in statutory costs
Agents fees	1,200.00	2,000.00	2,000.00	Agreed fee was higher than original estimate in reflection of work conducted
Bank charges	10.00	-	-	
Bonding	30.00	80.00	80.00	Underestimated in original figures
Document storage	500.00	13.12	13.12	
Legal fees	-	750.00	750.00	Not initially anticipated
Pension services	-	220.00	220.00	Not aware of the pension scheme when the original estimate was prepared
The Creditor Gateway fee	56.00	-	-	
VisionBlue fee	110.00	110.00	110.00	
Total	2,138.35	3,507.92	3,507.92	

Category 2 disbursements				
Accounting fees	1,500.00	-	-	
External storage of Insolvency Practitioner's working papers	50.00	50.00	50.00	
Internal meeting room	65.00	65.00	65.00	
Total	1,615.00	115.00	115.00	