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**Joint Liquidators'
Final Report to Creditors**

Bargain Foods Ltd
- In Compulsory Liquidation
3 November 2016


COWGILL HOLLOWAY
BUSINESS RECOVERY

SATURDAY



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1 Introduction

1 1 I, Jason Mark Elliott, of Cowgill Holloway Business Recovery LLP ("CHBR") Regency House, 45-53 Chorley New Road, Bolton, BL1 4QR was appointed as Joint Liquidator along with my colleague Craig Johns, of Bargain Foods Ltd on 21 August 2015 by the Secretary of State. The Liquidation commenced on 3 July 2015, following the presentation of a petition for the compulsory winding up of the Company on 4 December 2014 by SHP Opportunity Fund General Partner Limited. The winding-up order was made on 3 July 2015.

1 2 The Company was previously in Creditors Voluntary Liquidation ("CVL") and I was appointed Joint Liquidator of the Company, along with my colleague Jason Mark Elliott, at a meeting of the Company's shareholders held on 23 December 2014. Our appointment as Joint Liquidators of the Company was ratified following a meeting of the Company's creditors held on 6 January 2015.

1 3 This report provides a summary of the outcome of the Liquidation of Bargain Foods Ltd ('the Company'). At Appendix A, we have provided an account of our Receipts and Payments for the period ended 3 November 2016 with a comparison to the Official Receiver's Report. This account has been reconciled with that which is held by the Secretary of State in respect of the winding up. The Official Receiver's Report detailed that the Company had no assets and estimated liabilities of £268,387.

2 Realisation of Assets

2 1 *Funds from Creditors Voluntary Liquidation*

2 2 Our initial correspondence to creditors dated 8 September 2015 detailed that the sum of £26,291.68 was remaining in the CVL account and that these funds would be transferred to the Insolvency Services Account ("ISA account") once opened.

2 3 A meeting of creditors was held by Correspondence on 4 November 2015. At which creditors approved the following resolutions:

- Under Rule 4.127 of the Insolvency Rules 1986 and in the absence of a Creditors' Committee, that the Joint Liquidators are authorised to draw, from funds realised during the period that the Company was in Creditors' Voluntary Liquidation, the

statement of affairs fee in the sum of £7,500 plus VAT that was approved at the Creditors' meeting held on 6 January 2015

- Under Rule 4 127 of the Insolvency Rules 1986 and in the absence of a Creditors' Committee, that the Joint Liquidators are authorised to draw post appointment time costs, incurred during the period the Company was in Creditors' Voluntary Liquidation

2 4 Following this fee approval Fees were drawn in the Liquidation as follows

- Statement of Affairs Fee £7,500 plus VAT
- Joint Liquidators Fees £14,500 50 plus VAT

2 5 The total fees drawn from the monies held in the CVL account were £22,000 50. This left a balance of £4,291 18 to pay into the ISA Account following the reclaim of VAT paid on the Fees This amount was paid into the ISA on 12 August 2016.

Petitioners Deposit

2 6 Upon appointment, the sum of £1,250 was transferred into the ISA account representing the deposit paid by the petitioning creditor in relation to the winding up petition

3 Investigations

3 1 There is no requirement for the Joint Liquidators to undertake any statutory investigations in a Compulsory Liquidation Any investigations are undertaken by the Official Receiver

4 Creditors

Secured Creditors

4 1 Barclays Bank Plc ("Barclays") were granted the benefit of a debenture incorporating fixed and floating charges over the Company's assets which was created on 31 July 2013 and registered on 5 August 2016

4 2 Barclays confirmed in the preceding CVL that the amount of £42,250 was outstanding to them

- 4.3 There have been insufficient realisations to enable a distribution to be made to Barclays.

Preferential Creditors

- 4.4 There are no preferential creditors and no claims of a preferential nature have been received

Unsecured Creditors

- 4.5 We received claims totalling £2,524 from four unsecured creditors
- 4.6 The Company granted a floating charge to Barclays Bank PLC on 21 July 2013. Accordingly under the provisions of S176A of the Insolvency Act 1986, we would ordinarily be required to create a fund out of the Company's net floating charge property for unsecured creditors (known as the prescribed part), however, in this instance, the net property is below the prescribed minimum of £10,000 and furthermore a distribution to Barclays has not been made. Accordingly, there are insufficient funds to enable a distribution to be paid to the secured creditors
- 4.7 As per our letter dated 17 August 2016, there are insufficient funds available to enable a distribution to be made to the ordinary unsecured creditors. The funds realised have already been used or allocated for defraying the expenses of the Liquidation. Pursuant to Rule 11.7 of the Insolvency Rules 1986 (as amended), we therefore give further notice that there will be no ordinary unsecured dividend in the Liquidation

5 Joint Liquidators' Remuneration

- 5.1 The basis of the Joint Liquidators' remuneration was approved on a time costs basis at the initial meeting of creditors held by correspondence. The return date for submissions was 30 September 2016
- 5.2 The Joint Liquidators' final time costs as at 3 November 2016 total £3,392 representing 22 hours at an average rate of £177 per hour. We can confirm that £838 plus VAT has been drawn and that no further fees will be taken
- 5.3 Attached at Appendix B is a Time Analysis in accordance with the provisions of Statement of Insolvency Practice 9 (SIP9), which provides details of the activity costs incurred by staff grade on this Liquidation

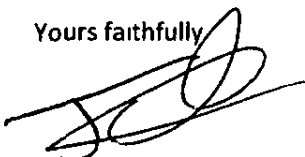
5.4 Attached at Appendix C is additional information in relation to this firm's policy on staffing, the use of sub-contractors, disbursements and details of current charge-out rates by staff grade.

5.5 A copy of 'A Creditors' Guide to Liquidators' Fees is available on request or can be downloaded from <http://www.cowgills.co.uk/services/business-recovery/creditors-guides-to-fees/>

6 Conclusion

6.1 This report together with final meetings of members and creditors will conclude our administration of this case. Details of the final meetings and resolutions to be considered, have been circulated with this report.

Yours faithfully



**Jason Mark Elliott
Joint Liquidator**

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Appendix A

Receipts and Payments Account for the Period from 21 August 2015 to 3 November 2016

	Statement of Affairs	From 21 August 2015 To 3 November 2016
	£	£
Receipts		
Funds from CVL	-	4,291
Petitioners Deposit	-	1,250
	<u>-</u>	<u>5,541</u>
Payments		
Secretary of State Fees		1,955
Petitioners Costs		2,400
Specific Bond		40
Joint Liquidators' Fees		838
Storage Costs		29
Statutory Advertising		169
Bank Charges		110
		<u>5,541</u>
		<u>-</u>

Appendix B

Time Analysis for the Period from 21 August 2015 to 3 November 2016

	Partner	Director	Manager	Senior Administrator	Administrator	Junior Administrator	Cashier	Total hours	Total Cost £	Average Cost £
Steps on Appointment	-	-	-	-	-	-	-	-	-	-
General Administration	-	-	1 10	3 30	0 10	-	3 10	7 60	1,256 00	165 26
Creditor Claims	-	-	-	-	-	-	-	-	-	-
Asset Realisation / Management	-	-	-	-	-	-	-	-	-	-
Planning and Strategy	-	-	-	-	-	-	-	-	-	-
Employee Matters	-	-	-	-	-	-	-	-	-	-
Distribution & Closure	-	-	-	9 80	-	-	-	9 80	1,764 00	180 00
Reporting & Returns	-	-	-	2 00	-	-	0 60	2 60	432 00	166 15
Investigations	-	-	1 20	1 00	-	-	-	2 20	480 00	218 18
Total Hours	-	-	2 30	16 10	0 10	-	3 70	22 20	3,932 00	177 12

Appendix C

Additional Information in relation to the Joint Liquidators' Fees Pursuant to Statement of Insolvency Practice 9 (SIP9)

1 Policy

Detailed below is Cowgill Holloway Business Recovery LLP's policy in relation to

- staff allocation and the use of sub-contractors,
- professional advisors; and
- disbursements

1.1 Staff Allocation and the use of Sub-contractors

The 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, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level

We have not utilised the services of any sub-contractors in this case

1.2 Professional Advisors

On this assignment we have not used any professional advisors *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

Type and purpose	£
Specific Bond	40
Bank Charges	110
DTI Cheque Fees	3
Storage Costs	29
Statutory Advertising	169

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred by Cowgill Holloway Business Recovery LLP for the provision of services which include an element of recharged overhead, for example, room hire or document storage.

On this case, no following Category 2 disbursements have been incurred since our appointment.

2 Charge-out Rates

A schedule of Cowgill Holloway Business Recovery LLP charge-out rates for this assignment effective from 1 March 2012 is detailed below.

Staff Grade	Rate per Hour
Partner	£375
Consultant	£300
Director	£300
Manager	£250
Senior Administrator	£180
Administrator	£150
Cashier/Support	£120
Junior Administrator	£100

Please note this firm charges its time in minimum units of 6 minutes.