

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

TUESDAY



A15 \*A7HML7WG\* 30/10/2018 #465  
COMPANIES HOUSE

ase  
use

### 1 Company details

Company number 0 6 3 4 6 6 1 9

Company name in full Ferotec Friction Limited

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

### 2 Liquidator's name

Full forename(s) Ian C

Surname Brown

### 3 Liquidator's address

Building name/number Yorkshire House

Street 18 Chapel Street

Post town Liverpool

County/Region

Postcode L 3 9 A G

Country

### 4 Liquidator's name ①

Full forename(s) John P

Surname Fisher

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

### 5 Liquidator's address ②

Building name/number Yorkshire House

Street 18 Chapel Street

Post town Liverpool

County/Region

Postcode L 3 9 A G

Country

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

# LIQ03

## Notice of progress report in voluntary winding up

### 6 Period of progress report

From date	d	1	d	8	m	1	m	0	y	2	y	0	y	1	y	7
To date	d	1	d	7	m	1	m	0	y	2	y	0	y	1	y	8

### 7 Progress report

☐ The progress report is attached

### 8 Sign and date

Liquidator's signature

Signature

X

*[Handwritten Signature]*

X

Signature date

d	2	d	9	m	1	m	0	y	2	y	0	y	1	y	8
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

**Ferotec Friction Limited**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £	From 18/10/2017 To 17/10/2018 £	From 18/10/2017 To 17/10/2018 £
	<b>SECURED ASSETS</b>	
40,000.00	Stock	7,500.00
(65,486.00)	Chargeholder: B & C Rolapp	(7,500.00)
	NIL	NIL
	<b>ASSET REALISATIONS</b>	
15,000.00	Plant, Machinery & Tooling	41,500.00
1,000.00	Office Furniture & Equipment	NIL
3,500.00	Tooling	NIL
150,000.00	Book Debts	51,907.31
19,492.00	Bibby Financial Services Limited	58,447.81
10,000.00	Cash at Bank - Special account	10,000.00
9,619.00	Cash at Bank	15,750.01
	177,605.13	177,605.13
	<b>COST OF REALISATIONS</b>	
	Specific Bond	990.00
	Statement of Affairs Fee	9,250.00
	Office Holders Fees	20,000.00
	Office Holders Expenses	279.35
	Agents/Valuers Fees	8,377.00
	Legal Fees	2,109.93
	Stationery & Postage	7.25
	Re-Direction of Mail	204.00
	Statutory Advertising	144.50
	Rents Payable	9,286.68
	Other Property Expenses	1,000.00
	Insurance of Assets	1,866.69
	Bank Charges	25.00
	(53,540.40)	(53,540.40)
	<b>PREFERENTIAL CREDITORS</b>	
(7,249.00)	DE Arrears & Holiday Pay	8,324.77
(704.00)	Pension Schemes	NIL
	(8,324.77)	(8,324.77)
	<b>UNSECURED CREDITORS</b>	
(91,336.44)	Trade & Expense Creditors	NIL
(42,319.00)	Wages in Lieu of Notice Claims	NIL
(66,107.97)	Loan Account	NIL
(6,040.00)	H M Revenue & Customs	NIL
(3,331.00)	Customs & Excise	NIL
(280,450.00)	Ferotec Friction INC	NIL
	NIL	NIL
	<b>DISTRIBUTIONS</b>	
(1.00)	Ordinary Shareholders	NIL
	NIL	NIL
<b>(314,413.41)</b>	<b>115,739.96</b>	<b>115,739.96</b>
	<b>REPRESENTED BY</b>	
	Vat Receivable	9,095.64
	Bank 1 Current	115,593.96
	Vat Payable	(8,949.64)
	<b>115,739.96</b>	<b>115,739.96</b>

## **Ferotec Friction Limited – In Creditors' Voluntary Liquidation**

### **LIQUIDATORS' PROGRESS REPORT TO CREDITORS AND MEMBERS**

**For the year ending 17<sup>th</sup> October 2018**

#### **STATUTORY INFORMATION**

Company name:	Ferotec Friction Limited
Registered office:	Yorkshire House, 18 Chapel Street, Liverpool L3 9AG
Former registered office:	Greenfield Business Park, Bagillt Road, Greenfield, Holywell CH8 7HJ
Registered number:	06346619
Joint Liquidators' names:	Ian C Brown and John P Fisher
Joint Liquidators' address:	Yorkshire House, 18 Chapel Street, Liverpool, L3 9AG
Joint Liquidators' date of appointment:	18 <sup>th</sup> October 2017
Actions of Joint Liquidators'	Any act required or authorised under any enactment to be done by a Liquidator may be done by either or both of the Liquidators acting jointly or alone.

#### **LIQUIDATORS' ACTIONS SINCE APPOINTMENT**

There is certain work that I am required by the insolvency legislation to undertake work in connection with the liquidation that provides no financial benefit for the creditors. In the period of this report, this has included reconciliation of the Liquidation bank account, corresponding with creditors, preparation of statutory reports, VAT and Corporation Tax matters and liaising with the Director.

In the last 12 months, I have dealt with the sale of the chattel assets, collected book debts due to the Company and passed the remaining debts to solicitors to pursue on my behalf and made a payment to a secured creditor in respect of their charge over the stock. I have also liaised with the Company's bank and factoring company concerning finalisation and closure of their accounts.

#### **RECEIPTS AND PAYMENTS**

My Receipts & Payments Account for the period from 18<sup>th</sup> October 2017 to 17<sup>th</sup> October 2018 is attached at Appendix 1. The balance of funds is held in a non-interest bearing estate bank account.

#### **ASSETS**

A valuation of the assets of the Company was prepared by David Currie & Co., an independent firm of valuers who have confirmed that they hold Professional Indemnity Insurance.

##### Plant, Machinery and Tooling

These items were estimated to realise a total of £18,500 in the Statement of Affairs. The items were sold by my agents at auction and an amount of £41,500 was realised, significantly in excess of the amount expected.

##### Stock

The stock was sold by agents and an amount of £7,500 was realised. The stock was subject to a charge, as detailed later in this report, and the charge-holders have been paid the amount realised.

#### Office Furniture and Equipment

These items were estimated to realise £1,000 in the Statement of Affairs. In the event, my agents recommended that the items be abandoned, as the costs of collection, storage and sale at auction would outweigh any realisation, given their overall condition.

#### Book debts

The debts were estimated to realise £150,000 in the Statement of Affairs. Following my appointment, I wrote to all debtors requesting payment. A number of queries were raised, which were dealt with by me with the assistance of the Director. This has included retrieving, reviewing and providing copy documentation and other information to the debtors and dealing with correspondence. To date, an amount of £51,907.31 has been realised. The remaining debts, which largely consists of those where no response was received, have now been passed to solicitors to pursue on my behalf. This includes a large debtor in China. These matters remain ongoing and it is not possible at this stage to estimate the likely level of future realisations, although I will keep creditors advised of progress in future reports.

#### Bibby Financial Services Limited

The debts had previously been factored with Bibby Financial Services Ltd. Following my appointment, I wrote to them requesting details of the balance held by them following the completion of the agreement. As a result, the account was finalised and an amount of £58,447.81 was transferred into the liquidation bank account, which represented the balance after all costs and termination fees had been applied. This was higher than anticipated due to payments made by debtors prior to liquidation.

#### Cash at bank Special Account

This represents funds transferred into the trust account to cover costs of liquidation.

#### Cash at Bank

The Company's bank account was in credit and was estimated to realise £9,619 in the Statement of Affairs. Following my appointment, I wrote to the bank requested that the account be closed and the balance therein transferred to the liquidation account. Ultimately, a final balance of £15,750.01 was transferred, slightly higher than anticipated due to debtors who had paid direct into the account pre-liquidation.

### **LIABILITIES**

#### Secured Creditors

Mr B and Mrs C Rolapp held a charge over the stock dated 9<sup>th</sup> February 2016, which included a floating charge.

#### Preferential Creditors

The Statement of Affairs anticipated preferential creditors of £7,249. A claim totaling £8,324.77 has been received from the Redundancy Payments Service.

#### Crown Creditors

The Statement of Affairs included £9,731 owed to HMRC. HMRC's final claim of £11,441.17 has been received.

#### Non-preferential unsecured Creditors

The Statement of Affairs included non-preferential unsecured creditors with an estimated total liability of £480,213. Claims received to date have been broadly in line with the Statement of Affairs figures.

## **DIVIDEND PROSPECTS**

### Secured creditors

An amount of £7,500 was paid to the charge-holders on 25<sup>th</sup> September 2018, representing the amount realised by agents for the stock, as detailed earlier in this report.

### Preferential creditors

The preferential creditor, being the Redundancy Payments Service in respect of amount paid to employees, has been paid an amount of £8,324.77 in respect of its claim lodged in the liquidation.

### Non-preferential unsecured creditors

*It is anticipated that a dividend will be payable to this class of creditor. However, the amount and timing of that dividend will be dependent upon the final realisations from book debts, as detailed earlier in this report. I will continue to keep creditors updated in this regard in future reports.*

## **INVESTIGATION INTO THE AFFAIRS OF THE COMPANY**

I undertook 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. Specifically, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the 18 months prior to the Company ceasing to trade from the Company's bankers; and compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the liquidation. There were no matters that justified further investigation in the circumstances of this appointment.

## **PRE-APPOINTMENT REMUNERATION**

The creditors previously authorised the payment of a fee of £9,250 plus VAT for my assistance with preparing the statement of affairs and arranging the deemed consent procedure for creditors to appoint a liquidator. This fee has been paid.

## **LIQUIDATORS' REMUNERATION**

My remuneration was approved on a time cost basis based on a fee estimate of £40,587.50. The fee estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors. My total time costs to 17<sup>th</sup> October 2018 amount to £42,450, representing 249.6 of hours work at a blended charge out rate of £170.07 per hour. The actual blended charge out rate incurred compares with the estimated blended charge out rate of £177.16 in my fees estimate. There is a difference in the blended rate charged, compared with the estimated blended rate because of partner time input. I have drawn £20,000 on account as at 17<sup>th</sup> October 2018.

As at 17<sup>th</sup> October 2018, as you can see from the information provided in this report, the total time costs I have incurred in this matter, in respect of the categories of work for which I am being remunerated on a time cost basis, have exceeded the total estimated remuneration I set out in my fee estimate when my remuneration was authorised by the creditors. This is because of time spent dealing with the debtors and reviewing and finding documentation in respect of their claims, as well as agreeing the claims of creditors. I have also had to deal with property issues, including potentially hazardous waste at the premises. At this stage, I do not intend to draw remuneration in excess of the fees estimate and so will not be seeking a decision to increase my fees estimate, although this will be reviewed at a later date.

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/>. A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3, together with an explanatory note which shows Parkin S Booth & Co's fee policy are

available at the link [www.parkinsbooth.co.uk](http://www.parkinsbooth.co.uk). Please note that there are different versions of the Guidance Notes and in this case, you should refer to the April 2017 version.

## **LIQUIDATORS' EXPENSES**

I have incurred expenses to 17<sup>th</sup> October 2018 of £13,803.47, as detailed in the receipts and payments account. This includes £990 for a specific bond, office holder expenses of £279.35, statutory advertising of £144.50, rent of £9,286.68 (payable to the landlord in respect of occupation of the property) and insurance of assets of £1,866.69. These expenses have been drawn.

In addition, I have used the following agents or professional advisors in the reporting period:

<b>Professional Advisor</b>	<b>Nature of Work</b>	<b>Basis of Fees</b>
David Currie & Co.	Valuer/Auctioneer	Time costs
SM Solicitors	Solicitors	Time costs

The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money. I have reviewed the charges they have made and am satisfied that they are reasonable in the circumstances of this case.

David Currie & Co. have received £8,377 in respect of assistance given in the cataloguing, valuation and sale of the assets. SM Solicitors have been paid £2,109.93 in respect of assistance given in the collection of book debts and legal advice regarding the lease to the property.

## **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 Joint Liquidators' remuneration and expenses within 21 days of their 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 unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Joint Liquidators as being excessive, and/or the basis of the Joint Liquidators' remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about Parkin S Booth & Co can be found at [www.parkinsbooth.co.uk](http://www.parkinsbooth.co.uk).

## **SUMMARY**

If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact David Jackson on 0151 236 4331, or by email at [dj@parkinsbooth.co.uk](mailto:dj@parkinsbooth.co.uk).



**Ian C Brown**  
**JOINT LIQUIDATOR**

## **Appendix**

### **1. Administration**

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up physical case files.
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond.
- Convening and holding general meetings of creditors and members (as applicable).
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing annual progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

### **1. Creditors**

- Obtaining information from the case records about employee claims.
- Completing documentation for submission to the Redundancy Payments Office.
- Corresponding with employees regarding their claims.
- Liaising with the Redundancy Payments Office regarding employee claims.
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Issuing a notice of intended dividend and placing an appropriate gazette notice.
- Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.

### **2. Investigations**

- Submit an online return on the conduct of the directors as required by the Company Directors Disqualification Act.



**Ferotec Friction Limited**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £		From 18/10/2017 To 17/10/2018 £	From 18/10/2017 To 17/10/2018 £
	<b>SECURED ASSETS</b>		
40,000.00	Stock	7,500.00	7,500.00
(65,486.00)	Chargeholder: B & C Rolapp	(7,500.00)	(7,500.00)
		NIL	NIL
	<b>ASSET REALISATIONS</b>		
15,000.00	Plant, Machinery & Tooling	41,500.00	41,500.00
1,000.00	Office Furniture & Equipment	NIL	NIL
3,500.00	Tooling	NIL	NIL
150,000.00	Book Debts	51,907.31	51,907.31
19,492.00	Bibby Financial Services Limited	58,447.81	58,447.81
10,000.00	Cash at Bank - Special account	10,000.00	10,000.00
9,619.00	Cash at Bank	15,750.01	15,750.01
		177,605.13	177,605.13
	<b>COST OF REALISATIONS</b>		
	Specific Bond	990.00	990.00
	Statement of Affairs Fee	9,250.00	9,250.00
	Office Holders Fees	20,000.00	20,000.00
	Office Holders Expenses	279.35	279.35
	Agents/Valuers Fees	8,377.00	8,377.00
	Legal Fees	2,109.93	2,109.93
	Stationery & Postage	7.25	7.25
	Re-Direction of Mail	204.00	204.00
	Statutory Advertising	144.50	144.50
	Rents Payable	9,286.68	9,286.68
	Other Property Expenses	1,000.00	1,000.00
	Insurance of Assets	1,866.69	1,866.69
	Bank Charges	25.00	25.00
		(53,540.40)	(53,540.40)
	<b>PREFERENTIAL CREDITORS</b>		
(7,249.00)	DE Arrears & Holiday Pay	8,324.77	8,324.77
(704.00)	Pension Schemes	NIL	NIL
		(8,324.77)	(8,324.77)
	<b>UNSECURED CREDITORS</b>		
(91,336.44)	Trade & Expense Creditors	NIL	NIL
(42,319.00)	Wages in Lieu of Notice Claims	NIL	NIL
(66,107.97)	Loan Account	NIL	NIL
(6,040.00)	H M Revenue & Customs	NIL	NIL
(3,331.00)	Customs & Excise	NIL	NIL
(280,450.00)	Ferotec Friction INC	NIL	NIL
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(1.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(314,413.41)</b>		<b>115,739.96</b>	<b>115,739.96</b>
	<b>REPRESENTED BY</b>		
	Vat Receivable		9,095.64
	Bank 1 Current		115,593.96
	Vat Payable		(8,949.64)
			<b>115,739.96</b>

**Parkin S Booth & Co****TIME & CHARGEOUT SUMMARIES**

Ferotec Friction Ltd

To 17/10/2018

**HOURS**

Classification Of work Function	Partner / Insolvency Pract'	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	7.20	0.10	15.40	0.70	23.40	4,412.50	188.57
Investigations	2.00	0.00	4.00	0.00	6.00	1,200.00	200.00
Realisation of Assets	26.20	0.00	102.60	0.00	128.80	22,310.00	173.21
Creditors	4.00	0.00	50.80	6.70	61.50	9,192.50	149.47
Case Specific Matters	8.50	0.00	21.40	0.00	29.90	5,335.00	178.43
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Fees Claimed £	12,690.00	22.50	29,130.00	607.50		42,450.00	
Total Hours	47.90	0.10	194.20	7.40	249.60		
Average Rate	264.93	225.00	150.00	82.09			

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

Company name

Parkin S Booth & Co

Address

Yorkshire House

18 Chapel Street

Post town

Liverpool

County/Region

Postcode

L 3 9 A G

Country

DX

Telephone

0151 236 4331



**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)