

Section 106

Return of Final Meeting in a
Creditors' Voluntary Winding UpPursuant to Section 106 of the
Insolvency Act 1986

To the Registrar of Companies

S.106

Company Number

06820013

Name of Company

Cherry Menlove Ltd

I/~~We~~

Eric Stonham, 1 Market Avenue, Chichester, West Sussex, PO19 1JU

Note: The copy account must be
authenticated by the written
signature(s) of the Liquidator(s)

1 give notice that a general meeting of the company was duly held on/~~summoned for~~ 26 July 2016 pursuant to section 106 of the Insolvency Act 1986, for the purpose of having an account (of which a copy is attached) laid before it showing how the winding up of the company has been conducted, and the property of the company has been disposed of, and that the same was done accordingly /~~no quorum was present at the meeting~~,

2 give notice that a meeting of the creditors of the company was duly held on/~~summoned for~~ 26 July 2016 pursuant to Section 106 of the Insolvency Act 1986, for the purpose of having the said account laid before it showing how the winding up the company has been conducted and the property of the company has been disposed of and that the same was done accordingly/~~no quorum was present at the meeting~~

The meeting was held at 1 Dukes Court, Chichester, PO19 8FX

The winding up covers the period from 5 June 2013 (opening of winding up) to the final meeting (close of winding up)

The outcome of any meeting (including any resolutions passed) was as follows

A quorum was present

The resolution in respect of the Liquidator's Report and Receipts and Payments Account was approved at the meeting

Signed Eric Stonham

Date 01 August 2016

Stonham Co
1 Dukes Court
Bognor Road
Chichester
PO19 8FX

Ref CC727/EJS/AJB/KJC/PH

WEDNESDAY



A28 03/08/2016 #93
COMPANIES HOUSE

Cherry Menlove Ltd
(In Liquidation)
Liquidator's Abstract of Receipts & Payments
From 5 June 2013 To 26 July 2016

S of A £		£	£
	ASSET REALISATIONS		
1,940 00	Furniture, Equipment & Furnishings	1,666 67	
5,625 00	Book advance	750 00	
322 00	Book Debts	NIL	
	Advertising Revenue	573 12	
29 00	Cash at Bank	NIL	
	Website	5,200 00	
	Sundry Receipts	1 11	
	Bank Interest Gross	0 20	
			8,191 10
	COST OF REALISATIONS		
	Specific Bond	30 00	
	S98 fees	2,333 33	
	Liquidator's fees	5,759 41	
	Office Holders Expenses	8 33	
	Tax paid on bank interest	0 03	
	Re-Direction of Mail	60 00	
			(8,191 10)
	PREFERENTIAL CREDITORS		
(4,200 00)	Employee Arrears/Hol Pay	NIL	
			NIL
	UNSECURED CREDITORS		
(13,012 96)	Trade & Expense Creditors	NIL	
(13,078 00)	Employees Notice and Redundancy	NIL	
(65,171 56)	Employee tribunal award	NIL	
(152,706 26)	Employee arrears of pay	NIL	
(80 00)	HM Revenue & Customs - VAT	NIL	
			NIL
(240,332.78)			(0.00)

REPRESENTED BY

Vat Receivable	1,618 55
Vat Payable	(1,618 55)
	NIL


Eric Stonham
Liquidator

1 August, 2016

Your Ref

Our Ref EJS/KJC/CC727

Dear Sirs

Cherry Menlove Limited – In Liquidation

I was appointed Liquidator of the company on 5 June 2013 and in accordance with Rule 4 49D of the Insolvency Rules 1986, I present my final report which was presented to the meetings of Members and Creditors held on 26th July 2016

1. Receipts and Payments Account

The Liquidator's Final Abstract of Receipts and Payments Account for the period 5 June 2013 to 26 July 2016 is enclosed showing a nil balance I believe the Receipts and Payments Account to be largely self-explanatory but comment as follows,

2. Assets

Equipment, Furniture, Furnishings and Website

As previously reported, these funds were realised from the disposal of equipment, furniture and furnishings listed on the Statement of Affairs with an estimated to realise figure of £1,940 The sum of £1,667 has been received in respect of the equipment, furniture and furnishings together with a further sum of £5,200 for the sale of the website

Trade Debtors

The Statement of Affairs listed trade debts to be £322 However, £573 has been collected in this respect There will be no further realisations

Book Advance

The sum of £750 has been received There will be no further realisations.

Cash at Bank

As previously reported the balance on the account has been set off against monies owed to the Bank and so there were no realisations

3. Payments

Specific Bond

In every insolvency appointment the Insolvency Practitioner is required to take out insurance to cover the assets in the estate, known as the Specific Bond and to date the cost of this insurance is £30

Liquidator's Remuneration and Expenses

The fee for convening the meeting of creditors had been agreed at £4,000 plus VAT and disbursements, of which £2,000 including VAT was paid prior to the meeting of creditors to put the company into Liquidation. It was agreed at the meeting of creditors that the balance would be paid as an expense of the Liquidation. The creditors agreed to the Liquidator drawing fees on a time cost basis at the meeting of creditors held on 5 June 2013. To date time costs totalling £49,245 have been incurred and fees totalling £5,759 have been drawn. The time spent to date is shown on the attached analysis, which includes my current billing rates. Time is charged in three minute units

Guidance notes issued by R3 on Liquidator's fees can be found on the R3 website on the following link - <http://www.r3.org.uk/index.cfm?page=1210> selecting Guide to Liquidator's Fees. Alternatively please contact this office should you require a copy. Also attached to this report are copies of Rules 4.49E, 4.131 and 4.148C of The Insolvency Rules 1986 detailing creditors' rights to request further information and to challenge the Liquidator's fees and costs

Category One expenses, incurred as a result of direct (external, out of pocket) expenses have accrued as follows during the course of the liquidation, Specific bond £30, Room Hire £28, Statutory Advertising £357, Companies House searches £4, Mail Redirection £60, postage £5 and agent's fees £170. The expenses total £653 of which £98 has been paid. The outstanding sum of £555 remains unpaid.

Category Two expenses, (internal expenses) incurred during the course of the liquidation are as follows, Photocopying £7. This expense remains unpaid.

A description of the work undertaken is as follows -

Administration

- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Preparing documentation required
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details on IPS

- Review and storage
- Case bordereau
- Case planning and administration
- Maintaining and managing the Liquidator's cashbook and bank account
- Ensuring statutory lodgments and tax lodgment obligations are met

Realisation of Assets

- Dealing with the sale of company assets
- Dealing with the book advance
- Collection of trade debtors
- Liaising with debtors
- Liaising with solicitors and agents

Investigations

- Review and storage of books and records
- Investigation of the company's financial affairs and director
- Preparing a return pursuant to the Company Directors Disqualification Act
- Investigating potential preference payments to connected parties
- Liaising with solicitors

Creditors

- Dealing with creditor correspondence and telephone conversations
- Preparing reports to creditors and members
- Convening and holding meetings of creditors and members
- Maintaining creditor information on IPS
- Reviewing proofs of debt received from creditors

4. Investigation

In addition to my statutory duties to investigate the financial affairs of the company, and its director, in the period prior to my appointment a creditor of the company raised a number of specific matters that warranted further investigation. The company had received some £180,000 from a former venture partner, and there were concerns over how these funds had been used by the company. I therefore spent a considerable amount of time reviewing and verifying the transactions in the company books and records, and obtaining third party confirmation that certain transactions were valid company expenditure, with the result that there was no evidence that funds had been misused. Also, my investigations generally did not uncover any sign of company assets being misappropriated.

The other matter that was outstanding at the time of my last report was my investigation into potential preference payments to a connected party in the sum of £11,150. As indicated in my last report I passed the relevant documents to the solicitor I instructed in this matter, DAC Beachcroft LLP, for them to consider the prospect of recovering any funds. After examining the documentation their advice was that issuing proceedings would not be successful as the payments would not be deemed to amount to a preference. On the basis of their advice I have now concluded this matter.

I have, in accordance with my duties, investigated the financial affairs of the company and its director in the period prior to my appointment. I have made my report to the Department of Business Innovation and Skills with regard to the conduct of the director. The content of this report is confidential.

5. Creditors' Claims

The Preferential creditors' claims listed on the Statement of Affairs total £4,200. The Preferential claims are in respect of former employee's claims for unpaid holiday pay and arrears of salary. I have received a claim from the Redundancy Payments Office for £1,015 with regard to their preferential claim. No dividend will be paid to the Preferential creditors.

The Unsecured creditors' claims listed on the Statement of Affairs total £244,049. To date claims totalling £236,179 have been received. Claims as per the Statement of Affairs totalling £17,278 are outstanding. There will be no dividend distribution to unsecured creditors.

6. Other Matters

I can confirm that the outstanding VAT refund of £198 has now been received. There are no further outstanding matters.

Additional Information

In accordance with Rule 4 49C of the Insolvency Act 1986, I am required to provide you with the following information:-

Registered Office address – 14/15 Brunswick Place, Southampton, Hampshire, SO15 2AQ


Former registered office – 145-157 St John Street, London, EC1V 4PW

Trading Address – 145-157 St John Street, London, EC1V 4PW

Company Number – 06820013

Should you require any further information please contact Tony Broom of my office.

Yours faithfully


E J Stonham
Liquidator

Cherry Menlove Limited - In Liquidation
Liquidator's Final Abstract of Receipts and Payments
From 5 June 2013 (Date of Appointment) to 26 July 2016

Receipts	Statement of Affairs £	From 05/06/13 to 26/07/16 £
Trade Debtors	322	573
Equipment, Furniture & Furnishings	1,940	1,667
Website		5,200
Book Advance	5,625	750
Cash at Bank	29	
Sundry Receipt		1
VAT	-	1,618
	<hr/>	<hr/>
	<u>7,916</u>	<u>9,809</u>

Payments

Section 98 Fees	2,333
Specific Bond	30
Liquidator's Fees	5,759
Search	4
Postage	5
Re Direction of Mail	60
VAT	1,618
	<hr/>
	9,809
	<hr/>
	<u>0</u>

Balance on Account

E J Stonham - Liquidator
Stonham Co
Ground Floor
1 Dukes Court
Bognor Road
Chichester
West Sussex
PO19 8FX

TIME COSTS SUMMARY

TOTAL TIME FROM APPOINTMENT

18-May-16

	Manager Hours	Administrator Hours	Junior Hours	Principal Hours	Total Hours	Total £	Average £ph
Administration & planning							
Review & planning	14 55	5 55	4 55	5 10	29 75	4,624 00	155 43
Internal communication	12 35	8 70	0 00	0 00	21 05	3,127 50	148 57
External communication	3 40	5 40	0 00	0 00	8 80	1,253 25	142 41
File maintenance	0 00	0 00	14 00	0 00	14 00	774 50	55 32
Cashbook maintenance	0 00	0 00	6 40	0 00	6 40	362 75	56 68
Statutory returns	0 90	6 30	2 80	0 00	10 00	1,105 25	110 52
Protection & realisation of assets							
Freeholds & leaseholds	0 20	0 00	0 00	0 00	0 20	33 00	164 94
Debtors	1 05	0 25	0 00	0 00	1 30	218 75	168 26
Loan accounts	0 00	6 80	0 00	0 00	6 80	850 00	125 00
Chattels	4 55	11 10	0 00	0 00	15 65	2,138 25	136 63
Income & contributions	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Securities & intangibles	0 00	5 50	0 00	0 00	5 50	687 50	125 00
Third party assets	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Other assets	13 20	1 70	0 00	0 00	14 90	2,395 00	160 73
Investigations							
Information gathering	39 55	90 75	20 25	1 95	152 50	19,422 00	127 36
Statutory	8 15	1 80	0 00	0 00	9 95	1,569 75	157 76
Antecedant transactions	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Misfeasance	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Examinations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors							
Reports	27 95	33 65	1 75	0 00	63 35	9,070 00	143 17
Agreement of claims	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Employee claims	2 85	6 95	0 00	0 00	9 80	1,339 00	136 63
Distributions	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Other matters							
Trading supervision	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Pension schemes	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Other	0 00	2 20	0 00	0 00	2 20	275 00	125 00
TOTAL HOURS	128 70	186 65	49 75	7 05	372 15	49,245 50	132 33
TOTAL COSTS	21,560 25	23,331 25	2,764 00	1,590 00	49,245 50		
Average charge rate (£ph)	167 52	125 00	55 56	225 53			
Current charge rate (£ph)	180 00	135 00	60 00	240 00			

Time is charged in 3 minute units

Insolvency Rule 1986

4.49E Creditors and members request for further information

(1) [Duty of liquidator re remuneration or expenses] If -

- (a) within the period mentioned in paragraph (2)—
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (iii) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company or
- (b) with the permission of the court upon an application made within the period mentioned in paragraph
 - (i), any unsecured creditor or,
 - (ii) any member of the company in a members voluntary winding up

make a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report under Rule 4 49B(1)(e) or (f) (including by virtue of Rule 4 49C(5)) or in a draft report under Rule 4 49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter in a draft report under Rule 4 49D or a progress report required by Rule 4 108 which (in either case) was previously included in a progress report not required by Rule 4 108

(2) [Period for compliance with r.4.49E(1)] The period referred to in paragraph (1)(a) and (b) is -

- (a) 7 business days of receipt (b the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4 108,
- and
- (b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case

(3) [How liquidator to comply] The liquidator complies with this paragraph by either -

- (a) providing all of the information asked for, or
- (b) so far as the liquidator considers that -
 - (i) the time or cost of preparation of the information would be excessive, or

(ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or

(iii) the liquidator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information

(4) [Application to court by creditors and members] Any creditor, and any member of the company in a members voluntary winding up, who need not be the same as the creditors or members who asked for the information, may apply to the court within 21 days of -

(a) the giving by the liquidator of reasons for not providing all of the information asked for, or

(b) the expiry of the 14 days provided for in paragraph (1), and the court may make such order as it thinks just

(5) [Court may extend period id rr.4.131(1B), 4.148C(2)] Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks or, as the case may be, 4 weeks provided for in Rule 4 131(1B) or 4 148C(2) by such further period as the court thinks just

(6) [Non application to official receiver] This Rule does not apply where the liquidator is the official receiver

4.131 - Creditor's claim that remuneration is or other expenses are excessive

(1) [Secured or certain unsecured creditors may apply to court] Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)

(1A) [Grounds for application] Application may be made on the grounds that—

(a) the remuneration charged by the liquidator,

(b) the basis fixed for the liquidator's remuneration under Rule 4 127, or

(c) expenses incurred by the liquidator, is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate

(1B) [Time limit for application] The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or in a case falling within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")

(2) [Power of court to dismiss etc] The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days notice but which is without notice to any other party

If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly

(3) **[Notice to liquidator]** The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it

(4) **[Court order]** If the court considers the application to be well-founded, it must make one or more of the following orders –

- (a) an order reducing the amount of remuneration which the liquidator was entitled to charge,
- (b) an order fixing the basis of remuneration at a reduced rate or amount,
- (c) an order changing the basis of remuneration,
- (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,
- (e) an order that the trustee or the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify, and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report

(5) **[Costs of application]** Unless the court orders otherwise, the costs of the application shall be paid by the applicant and are not payable as an expense of the liquidation

4.148C – Members' claim that remuneration is excessive

(1) **[Who may apply to the court]** Members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or any member with the permission of the court, may apply to the court for one or more of the orders in paragraph (6) on the grounds that –

- (a) the remuneration charged by the liquidator
- (b) the basis fixed for the liquidator's remuneration under Rule 4 148A or
- (c) expenses incurred by the liquidator

is or are, in all the circumstances, excessive or in the case of an application under sub-paragraph (b), inappropriate

(2) **[Time limit for application]** Application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or 4 weeks when the liquidator has resigned in accordance with Rule 4 142) after receipt by the applicant of the report or account which first

reports the charging of the remuneration or the incurring of the expenses in question ("**the relevant report**")

(3) [**Power of court to dismiss application**] The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it must not do so unless the applicant has had the opportunity to attend the court for a hearing of which the applicant has been given at least 5 business days notice but which is without notice to any other party

(4) [**Court to fix venue for hearing**] If the application is not dismissed under paragraph (3), the court must fix a venue for it to be heard and give notice to the applicant accordingly

(5) [**Applicant to notify liquidator of venue etc**] The applicant must at least 14 days before the hearing send to the liquidator a notice stating the venue and accompanied by a copy of the application and of any evidence which the applicant intends to adduce in support of it

(6) [**Court order if application well-founded**] If the court considers the application to be well-founded, it must make one or more of the following orders -

- (a) an order reducing the amount of remuneration which the liquidator was entitled to charge,
- (b) an order fixing the basis of remuneration at a reduced rate or amount,
- (c) an order changing the basis of remuneration,
- (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,
- (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report

(7) [**Costs of application**] Unless the court orders otherwise, the costs of the application must be paid by the applicant and are not payable as an expense of the liquidation