

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

07883126

Name of Company

Zeste Du Limone Limited T/A The Devonshire Arms

~~I~~ We

Adrian Graham, 4th Floor, Leopold Street Wing, The Fountain Precinct, Sheffield, S1 2JA

Julian Pitts, 4th Floor, Leopold Street Wing, The Fountain Precinct, Sheffield, S1 2JA

the liquidator(s) of the company attach a copy of ~~my~~ our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 28/03/2014 to 27/03/2015

Signed

A. Lane

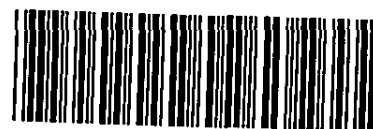
Date

7/4/15

Begbies Traynor (Central) LLP
4th Floor, Leopold Street Wing
The Fountain Precinct
Sheffield
S1 2JA

Ref ZE009CVL/AACG/JNRP/RH/PXH

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COMPANIES HOUSE

**Zeste Du Limone Limited T/A The Devonshire Arms
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs		From 28/03/2014 To 27/03/2015
	ASSET REALISATIONS	
NIL	Tangible Assets	NIL
2,898 72	Book Debts	2,898 72
	Bank Interest Gross	4 54
3,101 28	Directors Loan Account	3,101 28
Uncertain	Intangible Assets	NIL
		<u>6,004 54</u>
	COST OF REALISATIONS	
	Statement of Affairs Fee	500 00
	Agents Fees	80 00
	Statutory Advertising	227 46
		<u>(807 46)</u>
	UNSECURED CREDITORS	
(19,251 13)	Trade Creditors	NIL
(2,039 59)	Banks/Institutions	NIL
(18,786 00)	HMRC (non VAT)	NIL
(47,543 36)	HMRC (VAT)	NIL
		<u>NIL</u>
	DISTRIBUTIONS	
(1 00)	Ordinary Shareholders	NIL
		<u>NIL</u>
<u>(81,621.08)</u>		<u>5,197 08</u>
	REPRESENTED BY	
	Bank 1 Current	5,197 08
		<u>5,197 08</u>



Adrian Graham
Joint Liquidator



**Zeste Du Limone Limited t/a The
Devonshire Arms (In Creditors'
Voluntary Liquidation)**

Progress report pursuant to Section 104A of the
Insolvency Act 1986 and Rule 4.49C of the
Insolvency Rules 1986

Period: 28 March 2014 to 27 March 2015

Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Zeste Du Limone Limited t/a The Devonshire Arms (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators pursuant to Section 98 of the Act on 28 March 2014
"the liquidators", "we", "our" and "us"	Adrian Graham of Begbies Traynor (Central) LLP, 4th Floor, Leopold Street Wing, The Fountain Precinct, Sheffield, S1 2JA and Julian Pitts of Begbies Traynor (Central) LLP, 4th Floor, Leopold Street Wing, The Fountain Precinct, Sheffield, S1 2JA
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Trading name(s)	The Devonshire Arms
Company registered number	07883126
Company registered office	4th Floor, Leopold Street Wing, The Fountain Precinct, Sheffield, S1 2JA
Former trading address	Lightwood Lane, Middle Handley, Chesterfield, S21 5RN

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	28 March 2014
Date of liquidators' appointment	28 March 2014
Changes in liquidator (if any)	None

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 28 March 2014 to 27 March 2015

RECEIPTS

Tangible Assets

Creditors will recall from the Section 98 report that the estimated to realise value of the tangible assets was nil as the majority of the assets related to repairs and renewals to the pub that have been capitalised in the accounts. The remaining assets were sold prior to our appointment which is described in further detail below. Following our investigations this was confirmed to be correct and as the Company did not own the building there was no residual value.

Book Debts

This was in respect of the remaining tangible assets sold to the director and shareholder Jill Swift prior to our appointment. The funds were paid on appointment. This was in line with the statement of affairs.

Director's Loan Account

The director's Statement of Affairs showed an outstanding director's loan account with an estimated to realise value of £3,101.28. This was realised in full in line with the statement of affairs.

Bank Interest Gross

We received gross bank interest of £4.54 from the funds held.

Intangible Assets

The directors' estimated statement of affairs indicated that there would be no realisations from intangible assets. The intangible assets represented Goodwill. No offers were received and no realisations were made. This was in line with the statement of affairs.

PAYMENTS

Statement of Affairs Fee

On 15 February 2013, creditors agreed that the total of £5,000.00 plus disbursements plus VAT for assisting in the preparation of the Statement of Affairs and convening the Section 98 meeting of creditors and that the joint liquidators also be authorised to pay the sum of £500 plus VAT to the Company's accountants for assisting in the finalisation of the Company's records and preparation of the Statement of Affairs. The fee to the accountant has been discharged. The fee to Begbies Traynor (Central) LLP is yet to be discharged.

Agents Fees

A fee of £80 was paid to Ellis, Willis & Beckett for a valuation of the assets purchased by the director, Jill Swift.

Statutory Advertising

A total of £227.46 has been paid in accordance with the advertising for our statutory duties.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the director's statement of affairs included within the report sent to creditors further to our appointment as liquidators.

Secured creditors

There are no known secured creditors.

Preferential creditors

There are no known preferential claims.

Unsecured creditors

Unsecured creditors were estimated at £87,620.08. This included one associated creditor of £5,253.42.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows:

Secured creditors

There are no known secured creditors.

Preferential creditors

There are no known preferential claims.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows

- ☐ 50% of the first £10,000 of net property,
- ☐ 20% of net property thereafter,
- ☐ Up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the prescribed part of net property if

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit, (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5))

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors

Unsecured creditors

Based upon realisations to date and estimated future realisations it is anticipated there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors

6. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed a resolution of creditors at the meeting held pursuant to Section 98 of the Act by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the liquidation and we are authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, details of which accompanied the Statement of Affairs and other information presented to the meeting of creditors convened pursuant to Section 98 of the Act and which is attached at Appendix 2 of this report

Our time costs for the period from 28 March 2014 to 27 March 2015 amount to £19,276 which represents 96.7 hours at an average rate of £199.33 per hour

The following further information in relation to our time costs and disbursements is set out at Appendix 2

- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 28 March 2014 to 27 March 2015
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

To 27 March 2015, no fees have been drawn on account of our remuneration, against total time costs of £19,276 incurred since the date of our appointment

To 27 March 2015, we have also drawn disbursements in the sum of £307 46

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements] that have been taken in accordance with the approval obtained are provided in the narrative summary of time costs incurred which is at Appendix 2

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2011' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy

7 LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3

8. ASSETS THAT REMAIN TO BE REALISED

All assets detailed on the statement of affairs have been realised

9. OTHER RELEVANT INFORMATION

Investigations and reporting on directors conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, as explained in the report circulated at the meeting of creditors convened pursuant to Section 98 of the Act, such report having also been sent to creditors following the meeting, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Innovation and Skills. We can confirm that we have discharged our duties in these respects

Investigations carried out to date

We have undertaken an initial assessment of the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect

There were a number of transactions from the Company's bank account that required further investigation. This led to the pursuit of the director for these transactions, they were disputed by the director. Negotiations were entered into but were ultimately unsuccessful. Irwin Mitchell LLP were instructed to recover these transactions. After extensive correspondence and negotiations the parties reached a settlement of £10,000 to be paid in £1,000 instalments for 10 months

Connected party transactions

In accordance with Statement of Insolvency Practice 13, we confirm that the following assets were sold to Jill Swift director of the Company

Date of sale	Asset sold and nature of transaction	Consideration paid and date	Name of Purchaser	Relationship with the Company
27 January 2014	Fixtures & Fittings	£2,898 72 2 April 2014	Jill Swift	Director of the company

We are not aware that the purchaser and the company undertook any independent legal advice

Upon appointment the company's fixed asset register was obtained and a schedule of the assets sold. We contacted agents Ellis, Willis & Beckett to check whether this had been purchased at fair value. It was confirmed this was the case. Therefore, no further action was required.

10 CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 4.49E of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been detailed in this progress report.

Right to make an application to court

Pursuant to Rule 4.131 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred as set out in this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

11. CONCLUSION

We will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner.



Adrian Graham
Joint Liquidator

Dated 7 April 2015

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 28 March 2014 to 27 March 2015

**Zeste Du Limone Limited T/A The Devonshire Arms
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments
To 27/03/2015**

S of A £		£	£
	ASSET REALISATIONS		
NIL	Tangible Assets	NIL	
2,898 72	Book Debts	2,898 72	
	Bank Interest Gross	4 54	
3,101 28	Directors Loan Account	3,101 28	
Uncertain	Intangible Assets	NIL	
			6,004 54
	COST OF REALISATIONS		
	Statement of Affairs Fee	500 00	
	Agents Fees	80 00	
	Statutory Advertising	227 46	
			(807 46)
	UNSECURED CREDITORS		
(19,251 13)	Trade Creditors	NIL	
(2,039 59)	Banks/Institutions	NIL	
(18,786 00)	HMRC (non VAT)	NIL	
(47,543 36)	HMRC (VAT)	NIL	
			NIL
	DISTRIBUTIONS		
(1 00)	Ordinary Shareholders	NIL	
			NIL
(81,621.08)			5,197.08
	REPRESENTED BY		
	Bank 1 Current		5,197 08
			5,197.08



Adrian Graham
Joint Liquidator

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Narrative summary of time costs incurred, and
- d Table of time spent and charge-out value for the period from 28 March 2014 to 27 March 2015

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval)

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting,
- Car mileage is charged at the rate of 45 pence per mile,
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates,
- The following items of expenditure which relate to services provided by an entity within the Begbies Traynor Group are to be charged to the case (subject to approval)

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

BTG Asset Consulting may be utilised to provide assistance in the valuation and sale of the company's assets

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Sheffield office as at the date of this report are as follows

	Standard
	1 May 2011 –
	until further notice
	Regional
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME	Zeste Du Limone Limited t/a The Devonshire Arms
CASE TYPE	CREDITORS' VOLUNTARY LIQUIDATION
OFFICE HOLDERS	Adrian Graham and Julian Pitts
DATE OF APPOINTMENT	28 March 2014

1 CASE OVERVIEW

- 1.1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case

1.2 Complexity of the case

The case has been of a complexity to be expected in view of the assets and industry of the company

1.3 Exceptional responsibilities

There have been no exceptional responsibilities to date

1.4 The office holders' effectiveness

All company assets listed on the statement of affairs were realised within the first year of the liquidation. As detailed in the report a settlement agreement for £10,000 was signed by the director

1.5 Nature and value of property dealt with by the office holders

The company's assets comprised of motor vehicle, book debts, director's loan account and bank interest gross amounting to £6,004.54

1.6 Anticipated return to creditors

As reflected on the director's statement of affairs, it is estimated that no funds will be available to distribute to creditors as it is anticipated that they will be used or allocated for defraying the expenses of the liquidation

1.7 Time costs analysis

An analysis of time costs incurred between 28 March 2014 and [insert date] prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type

The time costs analysis provides details of work undertaken by the Liquidators and their staff following their appointment only

1 8 Work undertaken prior to appointment

In addition to the post appointment time costs detailed in the Time Costs Analysis, the costs relating to work undertaken prior to the Liquidators' appointment in summoning, advertising and holding the creditors' meeting and assisting the directors in preparing the statement of affairs were approved by the creditors at the Section 98 meeting

1 9 The views of the creditors

Creditors have been kept informed as to the progress of the liquidation via this progress report

1 10 Approval of fees

At the meeting of creditors held on 28 March 2014 it was resolved that the liquidators' remuneration be fixed by reference to the time properly given by them (as liquidators) and the various grades of their staff calculated at the prevailing hourly charge-out rates of Begbies Traynor (Central) LLP for attending to matters arising in the winding

1 11 Approval of Expenses and Disbursements

At the meeting of creditors held on 28 March 2014 it was resolved that the liquidator be authorised to draw disbursements, including disbursements for services provided by their firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9), in accordance with their firm's policy, details of which accompanied the information presented to the creditors meeting

1 12 Category 2 Disbursements

No Category 2 disbursements and disbursements which should be treated as Category 2 disbursements have been charged to the case since the date of my appointment

1 13 Other professionals employed & their costs

A fee of £80 was paid to Ellis, Willis & Beckett were instructed to provide a valuation of the valuation of the assets purchased by the director, Jill Swift

Irwin Mitchell LLP were instructed to assist in the recovery of suspicious transactions from the Company's bank account which were disputed by the director As noted in the report an agreement was reached with the director to pay £10,000 in monthly instalments of £1,000

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

2 1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached at Appendix 2

2 2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 2

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Agent's fees	Ellis, Willis & Beckett	80 00	80 00	-
Legal fees	Irwin Mitchell LLP	2,490 00	-	2,490 00
Statutory advertising	TMP (UK) Limited	227 46	227 46	-
Bond	AUA Insolvency Risk Services	9 00	-	9 00
Bond	Marsh Limited	10 00	-	10 00