

# 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

07973310

Name of Company

NL Realisations (2013) Limited formerly Nelsons Labels Limited

/ We

Paul Stanley, 340 Deansgate, Manchester, M3 4LY

Gary N Lee, 340 Deansgate, Manchester, M3 4LY

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 22/10/2014 to 21/10/2015

Signed



Date

3/12/15

Begbies Traynor (Central) LLP  
340 Deansgate  
Manchester  
M3 4LY

Ref NE111CVL/PS/GNL/ALL/MXW/SDW

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**NL Realisations (2013) Limited, formerly  
Nelsons Labels Limited (In Creditors'  
Voluntary Liquidation)**

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

Period: 22 October 2014 to 21 October 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"	NL Realisations (2013) Limited, formerly Nelsons Labels Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The Company moving into creditors' voluntary liquidation from administration pursuant to Paragraph 83 of Schedule B1 to the Act
"the liquidators", "we", "our" and "us"	Paul Stanley and Gary N Lee of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY
"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"	<ul style="list-style-type: none"><li>(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and</li><li>(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)</li></ul>
"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)	Nelsons Labels Limited
Company registered number	07973310
Company registered office	340 Deansgate, Manchester, M3 4LY
Former trading address	Unit 3 Wharfside, Trafford Park, Manchester

## 3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	22 October 2014
Date of liquidators' appointment	22 October 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 22 October 2014 to 21 October 2015

### **RECEIPTS**

#### ***Surplus from Administration***

Creditors were advised in the Joint Administrators' final progress report that £48,784 90 would be transferred to the Joint Liquidators following the conclusion of the administration

A final corporation tax liability of £26 60 was paid by the Joint Administrators, meaning that the final balance transferred to the Joint Liquidators was £48,758 30

#### ***Book Debts***

A further £189 82 was collected by the Joint Administrators during the period

As advised in the Joint Administrators' final progress report, a collection agent was instructed to pursue a number of overseas debts. We have been advised that some of these debts were paid into the Company's French bank account held with Societe Generale (see below)

The remaining debts were disputed, and the view was taken by the Joint Liquidators and their agents that it was no longer commercially viable to pursue the amounts outstanding

#### ***Cash at Bank***

As referred to above, a number of the Company's overseas debtors paid directly into the Company's French bank account held with Societe Generale

The balance of £11,571 47 was transferred to the Joint Liquidators in June 2015

**Bank Interest**

Bank Interest of £58 81 was earned during the period

**PAYMENTS****Debt Collection Fees**

As referred to above, an agent was instructed to pursue the Company's overseas debtors. A 20% commission of £37 96 was paid to Credent for their assistance provided to the Joint Liquidators.

**Statutory Advertising**

£169 20 was paid to Courts Advertising in relation to the various adverts that were placed in the London Gazette following the Joint Liquidators' appointment.

## 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 in the statement of proposals of the former administrators.

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

**Secured creditor**

Following the successful collection of the Company's book debts, the Secured Creditor has been paid in full. The Secured Creditor received a distribution under the fixed charge over the Company's book debts, with the remainder being distributed under their floating charge.

**Preferential creditors**

A dividend of 100p in the £1 was paid to the preferential creditors in June 2015.

**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)).

We have estimated, to the best of our knowledge and belief, the Company's net property, as defined in Section 176A(6) of the Act, to be £70,677 70 and the prescribed part of the Company's net property to be £17,135 54

A prescribed part dividend shall be paid to the unsecured creditors of the Company prior to the finalisation of the liquidation

#### **Unsecured creditors**

As outlined above, funds have been set aside to enable a dividend to be paid to the unsecured creditors of the Company by virtue of the prescribed part

## **6. REMUNERATION & DISBURSEMENTS**

Pursuant to Rule 4 127(5A)(a) of the Rules, our remuneration is treated as having been fixed on the same basis as the former administrators, 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

Pursuant to Statement of Insolvency Practice 9, we are also authorised to draw disbursements, including disbursements for services provided by our firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9) on the same basis as the former administrators, namely, in accordance with our firm's policy, a copy of which is attached at Appendix 2 of this report

Our time costs for the period from 22 October 2014 to 21 October 2015 amount to £20,354 which represents 99 4 hours at an average rate of 204 77 per hour

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

- ☐ Table of time spent and charge-out value for the period 22 October 2014 to 21 October 2015
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

To 21 October 2015, we are yet to draw any remuneration in respect of the time costs outlined above. We are also yet to draw any disbursements

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](http://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**

There are no assets that remain to be realised. Steps will be taken to finalise the liquidation in due course

## 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, 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.

## 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.



**Paul Stanley**  
Joint Liquidator

Dated 3 December 2015



## APPENDIX 1

**ACCOUNT OF RECEIPTS AND PAYMENTS**

Period 22 October 2014 to 21 October 2015

S of A £		£	£
	<b>SECURED ASSETS</b>		
168,000 00	Book Debts	<u>NIL</u>	NIL
	<b>SECURED CREDITORS</b>		
(203,000 00)	Chargeholder (1)	<u>NIL</u>	NIL
	<b>ASSET REALISATIONS</b>		
150,000 00	Plant & Machinery	NIL	
10,000 00	Stock	NIL	
	Book Debts	189 82	
7,379 00	Refunds	NIL	
242 00	Cash In Hand	NIL	
1 692 00	Cash at Bank	11,571 47	
	Surplus from Administration	48,758 30	
133 00	Bank Interest Gross	<u>58 81</u>	60,578 40
	<b>COST OF REALISATIONS</b>		
	Debt Collection Fees	37 96	
	Statutory Advertising	<u>169 20</u>	(207 16)
	<b>PREFERENTIAL CREDITORS</b>		
(23,475 00)	RPO re Arrears/Holiday Pay	21,166 78	
	Employees re Arrears/Hol Pay	<u>2,308 41</u>	(23,475 19)
	<b>UNSECURED CREDITORS</b>		
(500,000 00)	Trade Creditors	<u>NIL</u>	NIL
<u>(389,029 00)</u>			<u><u>36,896 05</u></u>

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## 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, and
- c Table of time spent and charge-out value for the period from 22 October 2014 to 21 October 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 guidance<sup>1</sup> 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. Best practice guidance<sup>2</sup> 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,
- Displaying properties for sale on the 'Accelerated Property Sales from Begbies Traynor' section of the Begbies Traynor website is charged at the rate of £75.00 per property,

(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*.

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<sup>1</sup> Statement of Insolvency Practice 9 (SIP 9) -- Remuneration of insolvency office holders in England & Wales

<sup>2</sup> Ibid 1

- 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 Manchester office as at the date of this report are as follows:**

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

Staff Grade	Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	15		81			13	157			109	3,331 00	305 60
						08				18 5	2,259 50	136 94
	15		81			21	157			27 4	5,590 50	204 03
Compliance with the Insolvency Act, Rules and best practice	10		18			38				86	1,618 00	245 15
			52			24			58	13 4	2,670 00	198 25
												0 00
												0 00
	10		70			62			58	20 0	4,288 00	214 40
Investigations	07		07			06				20	598 50	299 25
	07		07			08				20	598 50	299 25
Realisation of assets	15		32			76	57			18 5	3,091 50	187 36
						63				7 8	1,695 00	217 31
												0 00
	15		32			139	57			24 3	4,786 50	196 98
Trading												0 00
												0 00
Dealing with all creditors claims (including employees), correspondence and distributions	15		33			09	139			19 6	3,649 50	186 20
												0 00
	15		33			09	139			19 6	3,649 50	186 20
Other matters which includes meetings, tax, litigation, pensions and travel												0 00
												0 00
			33			10	18			6 1	1,441 00	236 23
												0 00
			33			10	18			6 1	1,441 00	236 23
	62		25 6			247	371		58	89 4		
	2,449 00		7,936 00			4,322 50	5,008 50		638 00		20,354 00	
	395 00	0 00	310 00	0 00	0 00	175 00	135 00	0 00	110 00			204 77
											0 00	

## STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Debt Collection Fees	Credebt	£37 96	£37 96	Nil
Statutory Advertising	Courts Advertising	£169 20	£169 20	Nil