

Section 106

The Insolvency Act 1986

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

S106

For Official Use

To the Registrar of Companies

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Company Number

00037516

Name of Company

Lupfaw JHB Ltd

I / We
Julian Pitts
9th Floor
Bond Court
Leeds
LS1 2JZ

Nicholas Edward Reed
9th Floor
Bond Court
Leeds
LS1 2JZ

give notice

- 1 that a general meeting of the company was held on ~~summoned for~~ 02 April 2015 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 that a meeting of the creditors of the company was duly held on ~~summoned for~~ 02 April 2015 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 of the company has been conducted and the property of the company disposed of and that the same was done accordingly / ~~no quorum was present at the meeting~~

Signed



Date

02 April 2015

Begbies Traynor (Central) LLP
9th Floor
Bond Court
Leeds
LS1 2JZ

Ref 82L4145/JNRP/NER/LL/EK

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Insolvency Sect

Post Room

THURSDAY



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COMPANIES HOUSE

Liquidator's statement of account Creditors' voluntary winding up

Lupfaw JHB Ltd

From 21 December 2009 To 2 April 2015

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COSTS OF REALISATION

Prior Administration Costs	<u>1,952 33</u>	(1,952 33)
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ASSET REALISATIONS

Book Debts	7,203 80	
Asset Sale Agreement	194,468 68	
Surplus from Administration	31,910 82	
Bank Interest Gross	<u>585 37</u>	234,168 67

COST OF REALISATIONS

Administrators Costs	2,850 00	
Office Holders Fees	122,150 00	
Office Holders Expenses	306 04	
Debt Collection	10,171 10	
Unclaimed Dividends Payment	25 75	
Agents/Valuers Fees (1)	13,329 81	
Legal Fees (1)	3,460 50	
Corporation Tax	126 43	
Storage Costs	3,006 44	
Statutory Advertising	169 20	
Bank Charges	<u>119 52</u>	(155,714 79)

PREFERENTIAL CREDITORS

DE Arrears & Holiday Pay	15,365 88	
Employee Arrears/Hol Pay	<u>18,157 20</u>	(33,523 08)

UNSECURED CREDITORS

Trade & Expense Creditors	29,355 33	
Employees	12,588 85	
Employees - TAX/NI	<u>984 53</u>	(42,928 71)
		<u>49 76</u>

Dividend information

Preferential debts	100p in £ on £33,523 08
Unsecured debts	2 45p in £ on £42,928 71
Returns to contributories	Nil per share

Fee information


Fees fixed by creditors on a time cost basis

- (1) Assets, including Nil shown in the statement of assets and liabilities and estimated to be of the value of Nil have proved unrealisable
-
- (2) Amount paid into the Insolvency Services account in respect of
- (a) Unclaimed dividends payable to creditors in the winding up 49 76
 - (b) Other unclaimed dividends Nil
 - (c) moneys held by the company in trust in respect of dividends or other sums due before the commencement of the winding up to any person as a member of the company Nil
- (3) Other comment

Dated

02/04/2015

Signed by the liquidator



Name & Address

Julian Pitts
Begbies Traynor (Central) LLP
9th Floor
Bond Court
Leeds
LS1 2JZ

Lupfaw JHB Ltd (In Creditors' Voluntary Liquidation)

Final report and account pursuant to Section 106 of the Insolvency Act 1986 and Rule 4.126 of the Insolvency Rules 1986

Period: 21 December 2009 to 2 April 2015

Important Notice

This report has been produced solely to comply with our statutory duty to report to creditors and members of the Company pursuant to Section 106 of the Insolvency Act 1986. This 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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- ☐ Interpretation
- ☐ Company and liquidators' details
- ☐ Progress since appointment
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- ☐ Appendices
 - 1 Liquidators' final account of receipts and payments
 - 2 Liquidators' time costs and expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Lupfaw JHB Ltd (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators pursuant to Section 98 of the Insolvency Act 1986 on 21 December 2009
"the liquidators", "we", "our" and "us"	Julian Pitts of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ and Nicholas Edward Reed of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ
"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

This is our final report and account of the liquidation and should be read in conjunction with our previous annual reports

2. COMPANY AND LIQUIDATORS' DETAILS

Registered office address	9th Floor, Bond Court, Leeds, LS1 2JZ
Company registered number	00037516
Nature of business	Cotton Type Weaving
Former trading address	Grane Road Mill, Grans Road, Haslingden, Rossendale, Lancashire, BB4 5ET
Date winding up commenced	21 December 2009
Date of liquidators' appointment	21 December 2009
Changes in office holder (if any)	Nicholas Edward Reed replaced David Wilson as joint liquidation on 28 October 2013 by order of the Court

3. PROGRESS SINCE APPOINTMENT

Attached at Appendix 1 is our final account of receipts and payments for the entire duration of the liquidation from 21 December 2009 to 2 April 2015. Our comments on items appearing in the account are as follows

RECEIPTS

Administration Funds

The balance at bank from the preceding administration, following deduction of further administration costs that were incurred in the preceding administration, the sum of £31,911 was transferred to the liquidation

Asset Sale Agreement

As previously reported, the Company's business and assets were sold in the preceding administration, with the sale consideration being paid on deferred terms. The final sum of £194,469 has been received

Book Debts

We have received the sum of £7,204 in respect of outstanding book debts in the preceding administration

Bank Interest

The sum of £585 has been received in interest accrued on the monies held in the liquidation bank account

PAYMENTS

Legal Fees

We have paid the sum of £3,460 to Dryden Solicitors in respect of their professional fees incurred in providing legal advice on all general matters in the liquidation

Debt Collection Fees

Dryden Solicitors were instructed to collect the outstanding book debts on our behalf. The sum of £10,171 has been paid in this respect. These costs include their fees incurred in obtaining a judgment against one of the debtors together with a warrant to seize assets. As previously reported, the judgment was not enforced due to there being no realisable assets over which to execute the warrant

Agents Fees

We have paid the sum of £13,330 to Eddisons Commercial Holdings Limited ("Eddisons") This was paid in respect of their fees incurred in dealing with the sale of the Company's assets in the preceding administration This was fixed on a commission basis and payable upon receipt of the deferred consideration This amount was paid on 29 March 2010

Please note that from 12 December 2014, Eddisons became a part of Begbies Traynor Group

Prior Administration Costs

The sum of £1,867 and £85 has been paid to Corona Energy and Rossendale Borough Council in respect of expenses incurred during the preceding administration which had not been discharged These payments were in relation to utilities and rates

Storage Costs

The sum of £2,967 and £39 has been paid to Niddwell Storage Limited and Restore respectively in respect of the costs incurred in storing the Company's books and records and liquidators' files

Statutory Advertising

We have paid £169 to Courts Advertising Ltd in respect of statutory advertising fees incurred

All other payments are summarised in the attached receipts and payments account and dealt with elsewhere in this report

4. OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our previous annual reports

On the basis of realisations, the outcome for each class of the Company's creditors is as follows

Secured creditor

The indebtedness to the secured creditor was discharged in full in the preceding administration

Preferential creditors

A dividend of 100 pence in the £1 has been paid to the preferential creditors

Unsecured creditors**Notice of Declaration of Dividend**

We are now able to declare a first and final dividend of 2 45p in the £ Enclosed with this report is formal notice of the dividend together with a cheque

5. REMUNERATION AND DISBURSEMENTS

Remuneration

Our remuneration is based on hourly costs at scale rates calculated on the time properly given by us and our staff in attending to matters arising in the liquidation and was approved at a meeting of creditors held on 11 February 2010

Total time spent on this assignment amounts to 783 hours at an average composite rate of £178 per hour resulting in total time costs of £139,347. Total fees drawn in accordance with the above approval have amounted to £122,150 leaving unbilled time costs of £17,197, which have been written off as irrecoverable. The following further information as regards time costs is set out at Appendix 2

- ☐ Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates
- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value

A copy of 'A Creditors' Guide to Liquidators' Fees (E&W)' 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.

Disbursements

The creditors at the meeting held on 11 February 2010 provided approval for us 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, a copy of which is attached at Appendix 2 of this report.

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.

6. OTHER RELEVANT INFORMATION

Investigation 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.

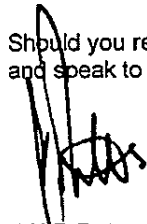
7. CONCLUSION

This report and account of receipts and payments will be laid before final meetings of the Company and the creditors to be held on 2 April 2015 in accordance with Section 106 of the Act

The meetings are a formal requirement of liquidation procedure and are a prelude to the formal dissolution of the Company, which will occur automatically, approximately three months later. Unless creditors otherwise resolve, pursuant to Section 173(2) of the Act we will be released from liability at the time that we vacate office.

Although the meetings are rarely attended, if any creditor wishes to attend the meeting, it would assist us in making the necessary administrative arrangements if you would inform the case administrator by telephone. This is particularly important for any creditor wishing to attend who considers that the proposed venue is inconvenient. In that event we will consider reconvening the meetings at an alternative venue to be agreed. Any such request should be made within the next seven days so that we may inform all creditors of the revised arrangements. Alternatively, if you wish a proxy to attend on your behalf, the proxy form should be returned to our office by 12 noon on the business day before the meeting. Please note that we will not accept receipt of completed proxy forms by email. Submission of proxy forms by email will lead to the proxy being held invalid and the vote not cast.

Should you require further explanation of any matters contained within this report, you should contact our office and speak to the case administrator, Eugene Khorouji in the first instance, who will be pleased to assist.



J N R Pitts
Joint Liquidator

Dated 26 February 2015

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 21 DECEMBER 2009 to 2 APRIL 2015

ASSET REALISATIONS

Book Debts	7,203 80
Asset Sale Agreement	194,468 68
Surplus from Administration	31,910 82
Bank Interest	585 37
	<u>234,168.67</u>

COST OF REALISATIONS

Prior Administration Costs	1,952 33
Administrators Costs	2,850 00
Office Holders' Fees	122,150 00
Office Holders Expenses	306 04
Debt Collection	10,171 10
Agents Fees	13,329 81
Legal Fees	3,460 50
Corporation Tax	138 03
Storage Costs	3,006 44
Statutory Advertising	169 20
Bank Charges	107 92
Preferential Creditors - 100p in the £	33,523 08
Unsecured Creditor Distribution - 2 45p in the £	42,978 47
Unclaimed dividend cheque	25 75
	<u>(234,168.67)</u>

TOTAL BALANCE0.00

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

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,

In addition to the 2 categories referred to above, best practice guidance indicates that where payments are made to outside parties in which the office holder or his firm or any associate has an interest these should be treated as Category 2 disbursements.

- 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

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

² Ibid 1

charge relates During the first years of the liquidation, storage was provided by a connected storage company in which J N R Pitts held an interest Boxes were supplied at a cost of £4 each and stored at a cost of £12 per box per annum Destruction charges are £5 per box and van hire/transportation costs are charged at 75p per mile,

The following items of expenditure which relate to services provided by entities within the Begbies Traynor Group are to be charged to the case (subject to approval)

- Asset Appraisal and Disposal services are provided by BTG Asset Consulting, a dividend of BTG Consulting LLP, which is part of Begbies Traynor Group Plc Asset Appraisal and Disposal costs are charged at £125 per hour and are reclaimed from asset realisations of the Company
 - From 12 December 2014, Eddisons Commercial Holdings Limited ("Eddisons") became part of Begbies Traynor Group Eddisons are a firm of chartered surveyors offering a range of property and asset services including insurance
 - The location of assets or individuals, surveillance and other investigative services are provided by BTG Intelligence, which is part of the Begbies Traynor Group plc Costs are charged at £250 per hour
- (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 Leeds 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 cashiery 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	Lupfaw JHB Ltd
CASE TYPE	Creditors' Voluntary Liquidation
OFFICE HOLDERS	Julian Pitts and Nicholas Edward Reed
DATE OF APPOINTMENT	21 December 2009

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**
There have been no complexities with regards to this matter other than the significant amount of employee claims both preferential and unsecured elements which included Employment Tribunal awards
- 1.3 **Exceptional responsibilities**
There have been no exceptional responsibilities with regards to this matter
- 1.4 **The office holders' effectiveness**
The office holders' strategy was to realise the outstanding deferred sale consideration with the view to making a distribution to the unsecured creditors of the Company. The office holders have been effective in collecting all the deferred consideration and have paid distributions to creditors
- 1.5 **Nature and value of property dealt with by the office holders**
The only asset of the liquidation has been the surplus received from the preceding administration and the collection of the remaining sale consideration following the sale of the Company's business and assets
- 1.6 **Anticipated return to creditors**
Preferential creditors have been paid in full and a first and final dividend distribution is enclosed with this final report
- 1.7 **Time costs analysis**
An analysis of time costs incurred between 21 December 2009 and 23 January 2015 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 9 The views of the creditors

Creditors have been provided with our annual progress reports and requested to provide the liquidators with any information which will assist them in carrying out their statutory duties

1 10 Approval of fees

The liquidators' remuneration is based on hourly costs at scale rates calculated on the time properly given by us and our staff in attending to matters arising in the liquidation and was approved at a meeting of creditors held on 11 February 2010

1 11 Approval of Expenses and Disbursements

The creditors at the meeting held on 11 February 2010 provided approval for us to draw expenses and disbursements, including disbursements for services provided by our firm

1 12 Category 1 Disbursements

In accordance with the resolution obtained, the following Category 1 disbursements have been charged to the case since the date of my appointment -

Type and purpose	Amount £
Photocopying	64
Postage	67
Specific Bond	17
Search fees	1
TOTAL	149

1 13 Category 2 Disbursements

In accordance with the resolution obtained in relation to expenses and disbursements, the following 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

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Mileage – travel incurred in travelling to the Company's trading premises to attend site and meetings	65
TOTAL	65

Other amounts paid or payable to any party in which the office holder or his firm or any associate has an interest	
Type and purpose	Amount £
Storage – provided by a connected storage company in which Julian Pitts had an interest.	92
TOTAL	92

1 14 Other professionals employed & their costs

Our choice of agents, solicitors and other professionals was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them. We have reviewed the fees charged, which are itemised on the enclosed Receipts and Payments Account, and we are satisfied that they are reasonable given the circumstances of this case.

2. SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT

2 1 Since the date of our last report, the following work has been carried out

- Agreement of unsecured creditor claims,
- Payment of unsecured dividend distribution,
- Statutory duties, and
- Closure formalities

[illegible]