

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

01160094

Name of Company

Arun Sails Limited

I

Kevin Lucas, 32 Stamford Street, Altrincham, Cheshire, WA14 1EY

the liquidator 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 17/11/2015 to 16/11/2016

Signed

Date 16 JANUARY 2017

Lucas Johnson Limited
32 Stamford Street
Altrincham
Cheshire
WA14 1EY

Ref A0034/KL/WT/LE

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COMPANIES HOUSE

ARUN SAILS LIMITED - IN LIQUIDATION

**Liquidator's first Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986
For the period from 17 November 2015 to 16 November 2016**

ARUN SAILS LIMITED - IN LIQUIDATION
FOR THE PERIOD FROM 17 NOVEMBER 2015 TO 16 NOVEMBER 2016

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Receipts and Payments Account

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**ARUN SAILS LIMITED - IN LIQUIDATION
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1. STATUTORY INFORMATION

Date of Winding Up Resolution.	17 November 2015
Name of Liquidator	Kevin Lucas of Lucas Johnson Limited, 32 Stamford Street, Altrincham, WA14 1EY
Date of appointment	17 November 2015
Company name	Arun Sails Limited ("the Company")
Trading styles	N/a
Registered number	01160094
Registered office	32 Stamford Street, Altrincham, Cheshire, WA14 1EY
Changes in Office Holder	N/a

2. INTRODUCTION

- 2 1 A resolution to wind up the above Company was passed on 17 November 2015, when Kevin Lucas was appointed Liquidator.
- 2 2 This is the first annual progress report to creditors and covers the period from 17 November 2015 to 16 November 2016 and is issued pursuant to Section 104A of the Insolvency Act ("the Act") to provide creditors with an update on the progress of the Liquidation

3. PROGRESS OF THE LIQUIDATION

3 1 *Plant and Machinery*

The statement of affairs provided to creditors showed that the Company had plant and machinery with an approximate value of £5,900. It was estimated that these assets would realise the sum of £3,100, however, following negotiations the sum of £7,200 was received in respect of these assets. The asset sale was to an unconnected third party and JPS Chartered Surveyors, the agents acting for the Liquidator, confirmed that this offer should be accepted as it was unlikely any other offers would be forthcoming which would result in a sale being achieved at a higher amount.

3 2 *Office Furniture and Equipment*

The estimated realisations in respect of this class of asset were shown in the statement of affairs to be £100. Following the appointment of the Liquidator, a sale was completed in respect of these assets and the sum of £300 was received from an unconnected third party who also purchased the plant and machinery.

3 3 *Book debts*

The book debt ledger provided by the director prior to the appointment of the Liquidator showed that the sum of £44,563.34 was outstanding. The estimated realisable value of these outstanding debts was £30,365.72. Following the Liquidator's appointment, invoices and other documentation

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was provided to the Liquidator to enable him to take steps to collect the amounts outstanding

- 3 4 The invoices provided were noted to be for a lesser amount than was initially included on the statement of affairs. This was queried with the director and a revised list provided by him which showed that the outstanding book debts had a value of approximately £23,246.64. A review of the difference between the amounts on the revised list has been undertaken by the Liquidator and it would appear that some historical debtors and invoices not actually issued were included on the original list.
- 3 5 Since the Liquidator's appointment the sum of £5,928.17 has been received, however, of this sum, £637.40 has been received in respect of an overpayment made by the Company in respect of an invoice issued to them prior to the Liquidation. Therefore, the sum of £5,290.77 has been realised from book debt collections.
- 3 6 A further sum of £4,098.36 has been written off as payments had already been made prior to the Liquidation which had not been allocated. Proof of payment being made has been provided in all cases where the amount outstanding has been written off and this has also been cross referenced with the bank statements of the Company to confirm receipt. A further sum of £399.41 is expected to be written off once proof of payment has been received.
- 3 7 Based on the figures outlined above, the sum of £13,458.10 is still collectable and will continue to be pursued by the Liquidator. An update of the current position will be provided to creditors in the next report to them.
- 3 8 *Website*
The Company had a website that was not detailed on the statement of affairs. An offer was received for the purchase of this domain shortly following the Liquidation of the Company, however, this sale did not complete as the purchaser withdrew their initial offer. This matter has been dealt with by agents instructed by the Liquidator and it is believed that a sale will be agreed and funds received in due course. An update will be provided to creditors in due course.
- 3 9 *Directors Loan Account*
From the investigations undertaken, a director's loan account in the sum of £26,646 has been identified. This is owed by the former director of the Company who operated the Company prior to the Liquidation. It is uncertain as to the collectability of the amount, but further information has been requested from the accountant in order that the position can be ascertained.
- 3 10 *Third party funds*
The sum of £32.59 is held by the Liquidator in respect of monies received post liquidation. These monies were in respect of work undertaken by a connected company, however, due to some monies being received by them in respect of book debts owing at the time of Liquidation, the monies received were retained. A review of the funds held will be undertaken and either allocated in respect of book debts or refunded to the party concerned.
- 3 11 *Refund of services*
The sum of £498.64 has been received from Haven Power in respect of a refund of services paid for in advance of the services being taken. Following the vacation of the business premises, a final bill calculation showed that this amount was repayable to the Company.
- 3 12 *Future Realisations*
Details of the assets that remain to be realised is provided above.

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4. RECEIPTS AND PAYMENTS ACCOUNT

- 4 1 A Receipts and Payments Account for the period is attached at Appendix 1

5. LIQUIDATOR'S REMUNERATION AND DISBURSEMENTS

- 5 1 The basis upon which the Liquidator charges remuneration was agreed by creditors at a meeting held by correspondence on 28 June 2016. Creditors agreed that the Liquidator could draw remuneration based on the time spent by the Liquidator and his staff in attending to matters arising in the Liquidation, plus VAT and disbursements
- 5 2 The Liquidator's time costs for the period 17 November 2015 to 16 November 2016 are £26,472.50 and are shown in more detail in Appendix 2. This represents 123.90 hours at an average hourly rate of £213.66. Time has been mainly spent on administration and planning, creditors' claims, investigations and realisation of assets
- 5 3 The Liquidator has drawn remuneration of £6,000 in the period of this report
- 5 4 Disbursements incurred by the Liquidator are split into two categories. Category 1 disbursements are items of specific expenditure that are directly related to the case and are usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred. Category 2 disbursements are 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. These have been previously approved by creditors at a meeting held by correspondence on 28 June 2016 and details of rates can be seen at Appendix 3. Category 2 disbursements incurred are shown at Appendix 2
- 5 5 During the period, Category 2 disbursements of £320 plus VAT have been drawn
- 5 6 As required by Statement of Insolvency Practice Number 9, a schedule of the Liquidator's charge out rates and disbursement charging policies is shown at Appendix 3
- 5 7 A copy of 'A Creditors' Guide to Liquidators' Fees' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set is available at <http://www.lucasjohnson.co.uk/downloads/fee-guides/>. Alternatively, if you require a hard copy of the Guide, please contact the Liquidator's office accordingly
- 5 8 Under Rule 4.131 of the Insolvency Rules 1986, any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors or the permission of the court, may, where it is believed the basis or quantum of remuneration or expenses charged by the Liquidator are, in all the circumstances, excessive or inappropriate, apply to the court within 8 weeks of receiving this progress report for an order under Rule 4.131, adjusting the remuneration or expenses

6. LIQUIDATOR'S EXPENSES

- 6 1 Details of the Liquidator's expenses paid during the reporting period are shown on the receipts and payments account at Appendix 1. There may also be various expenses incurred for which payment has not yet been made. For clarity, all expenses incurred are set out below:

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Expense Incurred	Name of provider	Amount incurred (£)	Amount discharged (£)	Balance Outstanding (£)
Toll Road Fees	Midland Expressway Ltd	9 62	9 62	-
Meeting Room Hire	Regus	47 70	47 70	-
Statutory Advertising	London Gazette	168 66	168 66	-
Specific Bond	Marsh Ltd	130 00	130 00	-
Agents/Valuers fee	JPS Chartered Surveyors Ltd	1,230 00	1,230 00	-
Insurance of Assets	Marsh Ltd	109 50	109 50	-

- 6 2 JPS Chartered Surveyors Ltd were instructed to undertake a valuation of the assets held by the Company and negotiate a sale of the same

7. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

Outcome for Secured Creditors

- 7 1 There are no secured creditors in this matter

Outcome for Preferential Creditors

- 7 2 The SoA detailed that there were preferential creditors of £4,070 in respect of arrears of wages and holiday pay To date, a claim has not been received from the Redundancy Payments office although it is believed that claims have been submitted and processed.

Prescribed Part pursuant to Section 176A of the Act

- 7 3 Under Section 176A of the Act a liquidator is required to set aside a proportion of the realisations for unsecured creditors where there is a secured creditor who holds a qualifying floating charge created on or after 15 September 2003 This is known as the Prescribed Part

The prescribed part of a company's net property is calculated as follows

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

However, a liquidator is not required to set aside the prescribed part 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))

- 7 4 As there are no qualifying floating charges registered at Companies House, the Prescribed Part does not apply in this matter

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Outcome for Unsecured Creditors

- 7 5 The SoA detailed unsecured creditors of £183,173 44 As at the date of this report, claims totalling £172,956 72 have been received from unsecured creditors Claims still to be submitted total £21,137 43
- 7 6 At this stage I am unable to confirm whether or not it is likely that there will be funds available to distribute to unsecured creditors

Investigations

- 7 7 In accordance with the Company Directors Disqualification Act 1986 it is confirmed that the Liquidator has submitted a report on the conduct of the Directors of the Company to The Insolvency Service As this is a confidential report, it is not possible to disclose the contents

Statement under Rule 4 49E

- 7.8 Within 21 days of receipt of this report, a secured creditor or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors has the right to make a request in writing to the Liquidator for further information about remuneration or expenses set out in that progress report If no response is received within 14 days any creditor has the right to apply to court within the subsequent 21 day period to compel the Liquidator to provide the information

Next Report to Creditors

- 7 9 The next report to creditors will be sent out to creditors following the next anniversary of the Liquidation or the convening of the final meetings whichever may be sooner.



Kevin Lucas
Liquidator

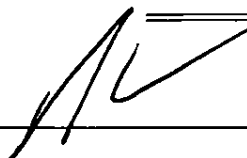
16 January 2017

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APPENDIX 1 – RECEIPTS AND PAYMENTS ACCOUNT

Arun Sails Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments
To 16/11/2016

S of A £		£	£
	ASSET REALISATIONS		
3,100 00	Plant & Machinery	7,200 00	
100 00	Office Furniture and Equipment	300 00	
30,365 72	Book Debts	5,928 17	
	Cash at Bank	1,737 19	
	Third Party Funds	32 59	
	Bank Interest Gross	5 47	
	Refund of Services	498 64	
			15,702 06
	COST OF REALISATIONS		
	Specific Bond	130 00	
	Statement of Affairs Fee	5,000 00	
	Liquidators Fees	6,000 00	
	Liquidators Expenses	536 36	
	Agents/Valuers Fees	1,230 00	
	Insurance of Assets	109 50	
			(13,005 86)
	PREFERENTIAL CREDITORS		
(4,060 00)	Employee Arrears/Hol Pay - RPO	NIL	
(10 00)	Employee Arrears/Hol Pay	NIL	
			NIL
	UNSECURED CREDITORS		
(57,294 44)	Trade & Expense Creditors	NIL	
(26,870 00)	Employees - RPO	NIL	
(4,009 00)	Employees	NIL	
(86,000 00)	Directors Loan Account	NIL	
(9,000 00)	HM Revenue & Customs - VAT	NIL	
Uncertain	Lease dilapidations clause	NIL	
			NIL
	DISTRIBUTIONS		
(7,500 00)	Ordinary Shareholders	NIL	
			NIL
(161,177.72)			2,696.20
	REPRESENTED BY		
	Bank 1 Current		1,496 20
	Vat Control Account		1,200 00
			2,696.20


 Kevin Lucas
 Liquidator

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APPENDIX 2 – SIP 9 TIME ANALYSIS AND CATEGORY 2 DISBURSEMENTS

Time Entry - SIP9 Time & Cost Summary

A0034 - Arun Salis Limited
Project Code POST
From 17/11/2015 To 16/11/2016

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	10.10	0.00	26.90	7.50	44.50	8,982.50	201.85
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	2.00	0.00	10.80	0.00	12.80	2,710.00	211.72
Investigations	0.00	2.70	9.40	0.00	12.10	2,622.50	216.74
Pre Appointment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	5.20	7.70	41.60	0.00	54.50	12,157.50	223.07
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	17.30	10.40	88.70	7.50	123.90	26,472.50	213.66
Total Fees Claimed						6,000.00	
Total Disbursements Claimed						480.14	

Time Entry - SIP9 Time & Cost Summary

Category 2 Disbursements

A0034 - Arun Sails Limited
Project Code POST
From 17/11/2015 To 16/11/2016

Other amounts paid or payable to the office holders firm or to party in which the office holder or his firm or any associate has an interest.

Transaction Date	Type and Purpose	Amount
19/11/2015	Photocopying and Stationery Postage and Stationery	320 00
Total		320 00

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**APPENDIX 3 – LUCAS JOHNSON
CHARGE OUT RATES AND DISBURSEMENT POLICY EFFECTIVE FROM 1 JANUARY 2016**

Fee Accrual

The Office Holder is the general name for the Insolvency Practitioner dealing with the case affairs
In accordance with the Insolvency Act 1986 and Insolvency Rules 1986, the Office Holder shall charge appropriate fees for dealing with the case affairs

It is usual practice for the agreement of fees to be sought on the basis of time properly incurred in dealing with the case
However on occasion it is necessary to seek agreement of fees as a fixed percentage of assets realised and/or distributions made, or indeed a defined fixed fee

The precise basis of how fees are to be incurred will be formally given to creditors prior to agreement being sought

The legal agreement and basis upon which post appointment fees are agreed is determined by the relevant category of creditors, details of which are explained within the respective independent creditors' guides to fees
Unless otherwise advised, fees shall be drawn on account from the case funds as and when realisations allow, subject to agreement

Estimation of Fees

Under the Insolvency Rules 2015, where an Office Holder wishes to seek the agreement of fees on a time costs basis, he is required to give creditors full details of not only what he believes such fees to be, but what works shall be done in relation to those fees

Because it is quite difficult to contemplate what a case will involve before appointment, we have gathered information to work out average time required to complete similar work for this type of appointment
The fee estimate for time costs has been proposed using average data from this review. This forms the basis of our time costs projection

This forecast is based upon the firm's policy in relation to the projection of fees for this type of insolvency. Calculations have been made using specific details of the case such as the type of realisations, number of creditors and the anticipated duration of the case prior to closure

Fees Charged on Fixed Fee Basis

Fixed fees are per matter. For example correspondence with creditors may be charged at a fixed rate of £50 per creditor per annum, similarly employees, directors, shareholders may all be charged on a fixed cost basis per annum. Any costs shown for these fees should not usually change from that guide provided

Fees on a Percentage Basis

Where it is intended that fees be drawn on a percentage basis, for example the realisation of assets, or the distribution of funds, these fees can only be calculated on the amount of funds to be dealt with. This final fee may therefore be lower than that information provided in our guide or indeed not at all

Contingent Fees

Contingent fees (where applicable) are those which are only payable on the recovery of a windfall and the later distribution to creditors where a dividend can be paid. All contingent fees, whether for the recovery of a windfall or contingent asset are fixed at 20%

All future distributions are to be charged at 10%, irrespective of whether the initial forecast shows a distribution to be payable

Fee Basis

In order to simplify information, the basis for post appointment fee shall simply be referred to as our Fee Policy

Staff

Each member of staff involved with the case will time charge on an individual basis. The hourly cost of each member of

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staff shall be calculated in accordance with their experience and resultant grade within the practice

In view of the complexity of the work involved, it is not practice policy to use sub contractors, however we reserve the right to do so should the case require. Details of any sub contractor used and the reasons why shall be provided within the respective statutory report SIP 9 detail

VAT

Services provided by Insolvency practitioners are subject to VAT, except when acting as Nominee or Supervisor of an estate

Our fees will be subject to VAT at the appropriate rate

Where the case is not registered for VAT, VAT shall be shown as an irrecoverable expense of the estate

Disbursements

Every case dealt with will incur expenses in addition to fees

Expenses will cover a number of areas, such as advertising, insolvency practitioner insurance and legal fees

Where the Office Holder or his firm pays these out of their own funds (e.g. the firm's office account) these will be classed as Disbursements. The Office Holder is required to explain the amount and nature of such disbursements whenever a formal abstract of accounts is produced

Regulations require that we separate category 1 and 2 disbursements for your information. An explanation of which is as follows

Category 1 Disbursements

Category 1 disbursements are expenses directly attributable to the case, where exact costs can be ascertained and recharged without profit. These can, but are not limited to, include insolvency bonds, advertising, company searches, post redirection orders, postage, external room hire, external storage as well as public transport and accommodation costs incurred by staff whilst attending to the administration of the estate

Category 2 Disbursements

Category 2 disbursements are additional overheads that relate to the estate but are either not directly attributable to it, or the exact cost is not ascertainable and therefore cannot be precisely recharged. These expenses include, inter alia, stationery, photocopying and storage costs

Any authorised category 2 disbursements which have been charged shall be shown in the statutory abstract of accounts

The following are a current schedule of category 2 disbursements which may (*) be charged by Lucas Johnson

- Mileage shall be recharged at 50pence per mile
- Destruction of boxes shall be recovered as a category 1 expense, and
- Storage of books and records at £30 per box per annum
- Fixed charge for the issue of each circular at £10 per relevant party per annum
- Internal meeting room (where required) charged at £50 per hour or part thereof

(*) Lucas Johnson does not ordinarily recover all category 2 disbursements, but reserves the right to do so, where such disbursements are substantial and appropriate sanction has been obtained

The following items of expenditure will normally be treated as general office overheads by the Office Holder and will not be charged to the case

- Telephone and facsimile
- Printing and photocopying
- Stationery
- Email addresses or telephone numbers set up and used exclusively for the case
- Destruction of boxes

Disclosure of Use of Connected Parties

Please note that where it is necessary to use the services of an external agent who is associated to the Office Holder's business by way of common directors and/or shareholders, it is advised by law, that this shown as a category 2 disbursement. Kindly note that no additional profit element will be charged in regard to these services, if applicable. At the effective date of this policy, the Office Holder had no connection with any external agent

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Charge Out Rates

A table of current hourly charge out rates are provided below

Charges for usual cases	(£)
Partner/Director/Consultant	350
Manager/Senior Manager	250-275
Assistant Manager	225
Administrator/Senior Administrator	150-200
Cashier ^(#)	100
Junior and Support Staff	100

A table of hourly charge out rates prior to 31 December 2015 provided below

Charges for usual cases	(£)
Partner/Director/Consultant	300
Manager/Senior Manager	200-250
Assistant Manager	190
Administrator/Senior Administrator	125-175
Cashier ^(#)	75
Junior and Support Staff	75

(#) Please note that time charged by our cashiers relates only to accounting matters relevant to the case

The basis upon which the Office Holder determines the appropriate charge out rate on the complexity of the case is detailed in the respective independent creditors' guides to fees, available to download from our company website or by email from this office

Further, the Office Holder reserves the right to uplift both the hourly rates and category 2 disbursements periodically without further recourse to the creditors. By law, such increases must be disclosed to creditors within each statutory report

Support Staff

In an effort to minimise costs to the case, it is necessary to use support staff to undertake certain matters. Support staff time is charged in the same manner as technical staff on the rates outlined above

Recording of Fees

Time is formally recorded in prescribed categories in units of 6 minutes. All units of time properly spent, shall be recorded on a formal time management system and retained throughout appointment, irrespective of the basis of fees

Reporting of Fees

All reports and correspondence detailing fees incurred and indeed drawn will provide the legal basis upon which fees have been incurred and from whom sanction was given in relation to those fees

Such information shall be contained within statutory progress reports and be in the prescribed form. When providing such a report, under existing insolvency regulations, creditors are able to request further and better particulars of fees and disbursements where they believe further explanation is required

The exact basis of how requisite members and creditors may request such information will be attached with each statutory progress report subsequently issued

Code of Ethics

I am required to advise you at the earliest opportunity, that I am bound by the Code of Ethics of my regulator ICAEW