

LIQ03

Notice of progress report in voluntary winding up



Companies House

SATURDAY



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14/09/2019

#62

COMPANIES HOUSE

1 Company details

Company number 03149851
Company name in full The Derby Fireplace Company Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Lucinda
Surname Matkin

3 Liquidator's address

Building name/number 1-3
Street Greenhill
Wirksworth
Post town Matlock
County/Region Derbyshire
Postcode DE44EN
Country UK

4 Liquidator's name ①

Full forename(s)
Surname

① Other liquidator
Use this section to tell us about
another liquidator.

5 Liquidator's address ①

Building name/number
Street
Post town
County/Region
Postcode
Country

① Other liquidator
Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6 Period of progress report

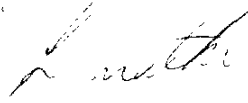
From date	d	2	d	7	m	0	m	6	y	2	y	0	y	1	y	8
To date	d	2	d	6	m	0	m	6	y	2	y	0	y	1	y	9

7 Progress report

☐ The progress report is attached

8 Sign and date

Liquidator's signature

X 

X

Signature date

d	2	d	2	m	0	m	8	y	2	y	0	y	1	y	9
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LIQ03

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**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Full name	Lucinda Matkin									
Company name	The Derby Fireplace Company Ltd									
	c/o LM Insolvency and Advisory Ltd									
Address	1-3 Greenhill									
	Wirksworth									
Post town	Matlock									
County/Region	Derbyshire									
Postcode	D	E	4	4	E	N				
Country	UK									
DX										
Telephone	07972928153									

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



INSOLVENCY

LM Insolvency & Advisory Ltd
12 Greenhill
Wirksworth
Matlock
Derbyshire DE4 4EN

THE DERBY FIREPLACE COMPANY LIMITED - IN CREDITORS VOLUNTARY LIQUIDATION ("the Company")

ANNUAL PROGRESS REPORT TO CREDITORS PURSUANT TO
RULES 18.3 & 18.7 OF THE INSOLVENCY RULES (ENGLAND AND
WALES) 2016 (AS AMENDED)

22 AUGUST 2019

FOREWORD

This report relates to the above appointment and has been prepared for the sole purpose of updating the Creditors for information purposes. 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 for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.

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ABBREVIATIONS AND DEFINITIONS

For the purposes of this report the following abbreviations and definitions shall be used;

Abbreviation or definition	Meaning
"the Act"	Insolvency Act 1986 (as amended)
"the Rules"	Insolvency Rules (England and Wales) 2016 (as amended)
"IR 2016"	
"IR16"	
"the Liquidator"	Lucinda Matkin of LM Insolvency & Advisory Limited, 1-3 Greenhill,
"We"	Wirksworth, Matlock, Derbyshire DE4 4EN
"Our"	
"the Company"	The Derby Fireplace Company Limited
"LM Insolvency"	LM Insolvency & Advisory Ltd
"Firm"	
"SIP7 (E&W)"	Statement of Insolvency Practice 7 (England & Wales)
"SIP9 (E&W)"	Statement of Insolvency Practice 9 (England & Wales)
"CVL"	Creditors Voluntary Liquidation
"HMRC"	HM Revenue & Customs
"Prescribed Part"	The amount set aside for unsecured creditors from floating charge funds in accordance with Section 176A IA1986 and the Insolvency Act 1986 (Prescribed Part) Order 2003
"Secured creditors"	Creditors with security in respect of their debt, in accordance with Section 248 IA86
"Preferential creditors"	Generally, claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
"RPS"	Redundant Payment Service, an executive agency sponsored by the Department of Business, Energy and Industrial Strategy, which authorises and pays the statutory claims of employees of insolvent companies under the Employment Act 1996
"Unsecured creditors"	Creditors who are neither secured nor preferential

1. APPOINTMENT & CONTACT DETAILS

The Proceedings

The Derby Fireplace Company Limited – in CVL ("the Company")

Registered Number: 03149851

The Officeholder

Officeholder: Lucinda Matkin, Lucinda Matkin is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales.

Appointment held: Liquidator

Address of officeholder/Liquidator: 1-3 Greenhill, Wirksworth, Matlock, Derbyshire DE4 4EN

Email: l.matkin@lucindamatkin.co.uk

Telephone: 07972918153

Appointment

Date of appointment: 27 June 2016

There have been no changes in officeholder since appointment.

Electronic communication with creditors

In accordance with section 246B of the Act and Rule 1.49 of the Rules, in an effort to reduce the costs of the Liquidation, all future communications with creditors, including updates and further progress reports, will be posted onto the website www.derbbyfireplacecompany.co.uk which has been set up specifically for this purpose.

For your reference, Annual progress reports are due within 2 months of the anniversary of the commencement of the Liquidation.

2. LIQUIDATOR'S PROGRESS

Introduction

This report has been prepared in accordance with Rules 18.3 and 18.7 of the Rules to provide creditors with an update on the progress of the liquidation of the Company, and an explanation of the work done in the 12 months since my last annual progress report

Given the information previously provided to creditors in my last annual progress report, I have not included detailed background information in respect of the Company or the progress in previous years and I have focused on the progress of the liquidation during this period from 27 June 2018 to 26 June 2019

This is our third progress report. You may wish to refer to our previous reports which can be found at

When we last reported, the key outstanding matters in the liquidation were as follows;

- Realise the remaining book debts
- Finalise the taxation on the sale of the property, and any terminal loss relief claims
- Settlement of outstanding professional fees and expenses;
- Agreement of preferential creditor claims and payment of a dividend to preferential creditors; and
- Should funds permit, agreement of unsecured creditor claims and payment of a dividend to unsecured creditors; and
- Finalise statutory and compliance matters such as tax returns (and clearance), creditor reports and closure of internal systems.

2.1 FINANCIAL PROGRESS

Realisation of assets – Assets subject to a fixed

Property

In our previous report we reported on the Company's most significant asset was a property known as the Queens Hotel at 2 Arkwright Street, Nottingham NG2 2GD ("the Property") and an adjoining long leasehold car park (together "the Premises").

As previously reported the property was sold for £353,500 plus VAT, and the fixed charge holder Lloyds Bank plc were paid in full, the sum of £266,458.19 on 31 March 2017.

There are no other fixed charged assets, or charges. (see secured creditors later in the report for further information).

Vehicle

As previously advised in my last annual report the Fiat Doblo was subject to a hire purchase agreement with Black Horse Finance was sold at auction by agents and auctioneers, John Pye & Sons for £3,720.00 and outstanding finance of £2,103.65 was repaid in full.

Realisation of assets – Assets not specifically pledged

As previously advised in my last annual report, the following assets were realised;

- Vehicles for £10,970 (plus VAT)
- Stock and plant & machinery for £51,074 plus VAT
- Cash in hand totaled £3,900
- Court Settlement £1500
- Refund of Court fees £545
- Other refunds £212.50
- Book Debts £2,500; and
- Bank interest of £106.67

Book Debts

No debtor monies have been collected during this period.

At the end of the last period £2,500 had been collected from debtors, £1,600 had been written off following evidence of remedial works and being disputed. There is however one other debtor for £777 which remains outstanding.

Rates Refunds

We previously received rates refunds to £1,834.54 in the liquidation.

We had also instructed Exacta to review the rates position for any further potential refund. This work has been concluded in this period and no further potential refunds have been identified. This work was carried out on a no win no fee basis, so no fees have been incurred.

We now consider this matter closed.

Tax losses

In previous periods, Sibbalds Chartered Accountants of Oakhurst House, 57 Ashbourne Road, Derby ("Sibbalds") were instructed assess whether there was a potential terminal loss relief claim. In order to assess this Corporation tax returns were completed and submitted,

The initial review for terminal loss showed losses in the final 12 months of trading were £1,362, which at 20% would mean that £272.40 is repayable. A claim will be made for this amount.

Sibbalds were also asked to complete the Corporation tax returns for 16/17 and 17/18, accounting for any chargeable gain on the sale of the property, 2 Arkwright Street, Nottingham. Sibbalds previously confirmed that the purchase price and cost of any improvements, together with a review of previous corporation tax computations it could be confirmed that the property purchase and improvements were more than the realized value making a loss. As such there are no chargeable gains to account for or pay in the liquidation.

Any losses after the date of cessation, i.e. the disposal of the vehicle & property, along with any other costs incurred, form part of the liquidator's losses, not part of trading so can't be offset against trading profits. So the £129.6k loss on the sale of the property cannot be carried back as part of terminal loss relief, due to it being incurred after cessation of trading.

This concludes any matters, other than annual CT returns and VAT returns on ongoing liquidation costs.

Bank Interest

The only other asset realisation in the period relates to gross bank interest received, totaling £44.27, bringing the total interest during the liquidation to £150.94

Our Receipts and payments account

The liquidator's Receipts and Payments account has been prepared in accordance with Rules to provide an update from 27 June 2018 to 26 June 2019, and in accordance with SIP7 (E&W), showing £20,293.69 in hand.

Estimated future realisations

Book Debts

As mentioned earlier £777 of debts remain outstanding and currently deemed collectible, we were advised a cheque had been forwarded and are liaising with the debtor.

Tax losses

We also have a claim for £272.40 of terminal loss relief as mentioned above. We will also be making a claim for VAT Bad relief on the book debts written off £1600.

Unrealised Assets

As mentioned above we have written off £1 600 of book debts following evidence of the remedial works and dispute. We do not consider any other assets to be unrealised.

Costs incurred but which yet remain unpaid

The only post appointment costs incurred during this and previous periods, but which as yet remain unpaid are liquidators' disbursements for stationary and postage, and storage costs and accountants fees for tax work.

Further details in respect of the Liquidator's costs are included in Section 4 and Appendix 2.

2.2 NON-FINANCIAL PROGRESS

The work undertaken by the liquidator has been categorized into areas of work and sub categories;

Statutory and compliance

A liquidator must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. This work includes the regulatory requirements including reporting periodically to creditors, and the Registrar of Companies, and closure.

The Liquidator has also continued to report to creditors and the registrar of Companies.

Creditors should note that this work will not necessarily bring any financial benefit to creditors, but is on every case by statute.

Administration (including cashiering and taxation)

A liquidator must also complete a number of administrative tasks associated with appointment and case management, the majority of such work has previously been completed, albeit the liquidator continues to undertake monitoring and reviewing of the case progress and strategy, general cashiering such as maintaining the estate cash book and bank accounts and dealing with insurance, pensions and taxation matters

During this period there was additional work associated with finalising taxation matters with Sibbalds. The Liquidator has also continued to manage the general administration of the liquidation.

VAT Matters

A final return will be required in due course, currently £520.31 is due as a refund.

Tax Refund

The review of the Company records by the Sibbalds shows that a terminal loss relief claim of £272.40 is due.

Employees

Redundancies

The Company employed 11 members of staff including 3 directors. All staff were made redundant on appointment.

All redundancy claims have been submitted by employees and processed by the Redundancy Payments Office ("RPO"). We now consider all redundancy matters and claims from the RPO by employees to be finalised.

Preferential Claims

A liquidator must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation in order to enable employees to claim monies they are entitled to from Redundancy Repayments Office including Redundancy pay, pay in lieu of notice, arrears of wages and outstanding holiday pay. Information is gathered from the company to clarify and confirm the employees claims, as well as corresponding with the Redundancy Payments office to enable payment of an element from them. Employees may also claim further monies from the liquidation as a preferential and or unsecured creditor. As such this work does not bring financial benefit to the liquidation, but is essential to assess creditors' claims from the employees and government bodies, as well as providing valuable information to employees on what's happening their current position.

We are now in position to make a payment to preferential creditors which includes the RPO and may include employees. See section 4 for further details.

Property

In addition to the company operating from freehold premises at the Queens Hotel, 2 Arkwright Street, Nottingham, the Company also operated from two leasehold premises.

Leasehold Premises

Wyvern Way, Wyvern Retail Park A52, Derby, Derbyshire and Unit 12, East Service Road, Raynesway, Spondon, Derby, which operated as a Derby showroom and marble workshop respectively. Both landlords co-operated with the Liquidator and the leases were surrendered by an operation of law on 14 July 2016 and 6 July 2016 respectively. We now consider all matters with leasehold premises to be finalised.

Creditors (Claims and distributions)

Further information on the anticipated outcome for creditors in this case can be found at section 4 of this report.

Investigations and actions

As part of the Liquidator's statutory duties, an investigation into the conduct of the Company, directors and shadow directors has been completed.

In this regard, a confidential final report was submitted to the Insolvency Service on 11 October 2016. As this is a confidential report, I am unable to disclose the contents. No further action is being taken against the directors.

There are no criminal proceedings or further ongoing investigations, and I advise that there are no asset realisations that may be pursued by me for the benefit of creditors that have come to light since my last report. Nothing has come to my attention during the period under review to suggest that we need to do any more work in line with my duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice 2

3. LIQUIDATOR'S REMUNERATION & EXPENSES

Liquidator's remuneration / Our fees

We set out in Appendix 4 an update on our fees, disbursements

Basis of Remuneration

In summary, the basis of the Liquidator's remuneration was fixed by the creditors at a meeting by correspondence held on 26 August 2016.

The meeting of creditors by correspondence passed several different resolutions for my remuneration to be based on a combination of time costs and percentage basis, these are referred to further in Appendix 4, together with details of the percentage rates and realisations or distributions to which they relate, time costs incurred, and hourly rates and work undertaken.

The table below summarises the remuneration estimated, approved and drawn, however the table should read in conjunction with Appendix 4 for further information;

Fee Basis	For dealing with	Estimated Fees approved* (£)	Actual /Incurred time costs in the period	Total Actual/ incurred time costs	Fees Drawn in the period (£)	Total Fees drawn (£)	Approved fees not drawn £	Estimated Future Fees (£)	Anticipated total Fees (£)
Time Cost Basis **	Statutory and Compliance, Administration and Planning, Employees to 31 July 2016	£6,197	Nil	£6,197	Nil	£6,197	Nil	Nil	£6,197
Time Cost Basis **	Statutory and Compliance, Administration and Planning, Employees From 1 August 2016 onwards	£27,682	£8,807	£44,200	Nil	£27,682	Nil	Nil	£27,682
Percentage Basis ***	Asset Realisation, and Debtors	£8,517 (% but dependent on realisations)	% basis: Nil Time: £567	% basis: £9,485 Time: £6942	Nil	£9485	Nil	104 (27 from tax, 77 from debtor)	£9,589
Percentage Basis ***	Creditors	Uncertain, (% but dependent on realisations)	% basis: 10% of nil distributed Time: £189	% basis: 10% of nil distributed Time: £4975	Nil	Nil	% basis: 10% of Nil	£1,272	£1,272
Total estimated approved fees		£42,396+							
Total Time costs incurred in the period			Time: £9563						
Total fees drawn in the period					Nil				

Total time costs incurred in the liquidation	Time: £62,314	
Total fees drawn in the liquidation		£43,364
Total approved fees not drawn		Nil
Total estimated fees billed (drawn and future)		£44,740

*The resolutions approving the fees are listed in Appendix 3

** Details of the hours charged, hourly rates and the work undertaken are detailed in Appendix 3

***Full details of the different percentage rates approved by creditors are listed in Appendix 3

Numerous activities have been undertaken by ourselves and our staff in dealing with the liquidation. A number of task are generic to every liquidation and a summarised list of these activities is attached in Appendix 4 for your information. There were also a number of issues specific to this case were we have spent additional time, and these are detailed Section 2 of this report on the progress.

Exceeding Estimate

Details about the work I anticipated would need to be done for each of the areas of work, was outlined to creditors in my initial fees estimate/information.

All estimates were made on the assumption that the liquidation will be concluded within two years and represents the maximum fees that the Liquidator is allowed to charge unless further sanction is obtained from creditors. Where the basis of the Liquidator's fees are by reference to time properly spent, by my staff and I in managing the liquidation, if the actual time taken is less than the estimates, then only the time actually incurred will be billed and drawn. Equally, where the basis of the Liquidator's fees is on a percentage basis, if the actual time costs incurred are more, only those fees approved under the percentage basis can be billed and drawn.

Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Liquidator.

In this matter the Administrative costs have been higher than estimated due to the requirements of planning and controlling the Liquidation during the period. More details are provided later in this report.

As noted in my initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors but is required on every case by statute.

A copy of that original estimate in respect of time costs from 1 August 2016 onwards under Resolution 2 is reproduced below and compares the estimated time costs for each work category with the actual costs incurred:

Category of work	Estimated Number of Hours	Average blended charge out rate £	Estimated cost £	Actual Hours	Average hourly rate £	Actual cost £
Statutory	23.8	256.30	6,100	45.3	262.70	11900.50
Employee	10.5	248.33	2,607.5	6.3	255.71	1611
Investigations	15	252.5	3787.5	18.4	269.4	4,957.00
Administration and Planning (including cashiering, and taxation)	63.5	239.16	15,186.75	96.3	267.20	25731.50

requests must be made within 21 days of receipt of this report, in accordance with Rule 18.4(1)(f)(i) and 18.9 of the Rules.

Creditors' right to challenge remuneration and/or expenses

Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors or, with permission of the Court, may apply to the Court for one or more orders (in accordance with 18.4(1)(f)(ii) and 18.34 of the Rules), reducing the amount or the basis of remuneration which the Liquidator is entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report, detailing the remuneration and/or expenses being complained of, in accordance with Rule 18.34(3) of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.

4. DISTRIBUTION TO CREDITORS

How much creditors may receive

The following table summarises the possible outcome for the preferential and unsecured creditors*, based on what we currently know. Below we explain what recoveries the secured creditors are expected to make from assets subject to the security granted in their favour by the Company.

Class of creditor	Current estimate (p in £)	Previous estimate (p in £)
Secured creditors	100p	100p
Preferential creditors	100p	100p
Unsecured creditors	Nil - 1.9p**	Nil - 1.9p**

**Please note this guidance on dividends is only an indication and should not be used as the main basis of any bad debt provision or debt trading*

***The estimate is subject to change, and will depend on the final liquidation costs and taxation*

For the purposes of this report and until the matters regarding the extent of security entitlements have been resolved, we have assumed that only a prescribed part fund will be available for creditors

Further information for each class of creditor is provided below.

Secured creditors

The Company granted a fixed and floating charge over all property and assets, present and future including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant and machinery by way of debenture dated 8 April 2004 to Lloyds TSB Bank plc

The Company also grant a fixed charge over the freehold property being Queens Hotel, 2 Arkwright Street, Nottingham, together with all buildings and fixtures, fixed plant and machinery and floating charge over moveable plant and machinery, fixture and fittings and goodwill by way of mortgage deed dated 15 April 2004 to Lloyds Bank plc.

As per the Statement of Affairs as at 21 June 2016, the balance of the overdraft was £135,370 and the balance of the loan was £126,160.

Keith and Tracy Harrison, the directors, had also provided a personal guarantee. A Personal Guarantee was provided to Lloyds Bank plc in respect of the Company mortgage and loan.

We instructed solicitors, Ellis-Fermor to review the validity of the security and confirm whether the charges held are fixed or floating. The security review was concluded in March 2017, and the solicitor has confirmed that the security is valid and enforceable with the charge-holder, Lloyds Bank plc holding a fixed charge over the premises at 2 Arkwright Street.

Removal of charges

This period Lloyds have confirmed that the indebtedness has been repaid in full but shall retain the debenture until dissolved.

Preferential creditors

I confirm that anticipate preferential dividend will be declared and preferential creditors will be paid a dividend of 100p in the £ in the next few months.

Prescribed Part

This provision shall not apply as Lloyds Bank plc were paid in full under their fixed charge, as such there are no outstanding liabilities due to a qualifying floating charge holder by the Company. Therefore, the Prescribed Part will not apply.

Unsecured creditors

As at 21 June 2016 the Company's unsecured non-preferential creditors totaled £510,785 the largest being the directors loan account of £334,525, followed by redundancy costs (redundancy pay, pay in lieu of notice and arrears of wages) at £94,849.

Some creditors amounts shown may differ from the actual amount owed. This does not affect the ability of creditors to submit a different claim in the Liquidation.

Claims from unsecured creditors of the Company, have not yet been agreed. These will be agreed should funds become available for a distribution to unsecured creditors. Any dividend distribution to unsecured creditors will be depend on the claims of preferential creditors due to be paid, the realisations of book debts and final costs of the liquidation.

Small Claim Scheme

From April 2016, I have had the discretion to admit claims from creditors under £1,000 without receiving a proof of debt. As yet, I can confirm that no claims have been admitted under the small claim provisions.

Any creditor believing that the amount due to them is different from that shown above should contact this office as soon as possible to ensure that this is updated in my files.

5. WHAT REMAINS TO BE DONE

Assets

As per section 2 of this report, Estimated Future Realisations, the liquidator is still pursuing one outstanding book debt, and finalising tax refunds. The Liquidator will continue to pursue these debts, and will take appropriate action should the debtors not offer to discharge their liabilities.

Next steps

The following is a summary of key issues remaining:

- Realise the remaining book debt
- Obtain payment for the terminal loss relief
- Settlement of outstanding professional fees and expenses;
- Agreement of preferential creditor claims and payment of a dividend to preferential creditors; and
- Should funds permit, agreement of unsecured creditor claims and payment of a dividend to unsecured creditors; and
- Finalise statutory and compliance matters such as tax returns (and clearance), creditor reports and closure of internal systems.

Appendix 4 provides further information on the tasks to be completed.

6. OTHER MATTERS

Connected party transactions SIP 13 (E&W)

In accordance with the guidance given in SIP13 (E&W), I confirm that no transactions with connected parties have taken place during the period of this report.

EC Regulations

Council Regulation (EU) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

Next Report

I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final account

If you require any further information please contact the office on the front of this report, or email Lucinda@insolvency.co.uk

Yours faithfully

For and on behalf of

The Derby Fireplace Company - In CVL



Lucinda Matkin

Liquidator

APPENDIX 1 – Statutory Information

Company name:	The Derby Fireplace Company Limited
Previous names:	N/a
Proceedings:	In Liquidation
Date of Appointment:	27 June 2016
Liquidator(s):	Lucinda Matkin LM Insolvency & Advisory Ltd 3 Greenhill Wirksworth Matlock Derbyshire DE4 4EN
Nature of business:	Retail
Date of Incorporation:	23 January 1996
Registered Number:	03149851
Trading names:	The Derby Fireplace Company Ltd
Registered office:	c/o LM Insolvency & Advisory Limited, 3 Greenhill, Wirksworth, Matlock Derbyshire DE4 4EN
Trading address:	Formerly: Wyvern Way, Wyvern Retail Park A52, Derby, Derbyshire DE21 6NZ Wyvern Way, Wyvern Retail Park A52, Derby, Derbyshire DE21 6NZ
Directors at date of Appointment:	Keith Harrison Michael Harrison Tracy L Harrison Gavin G T Wride (resigned 29/01/2016)
Company Secretary:	Keith Harrison
Shareholders:	Keith Harrison – 3 Ordinary Share Michael Harrison – 1 Ordinary Share
Bankers:	Lloyds Bank plc
Auditors:	N/a

APPENDIX 2 – Receipts and payments

The Derby Fireplace Company Limited – In creditors' voluntary liquidation

Summary of the financial information as at 26 June 2019

	Statement of Affairs £	From 27/06/16 to 26/06/18 £	From 27/06/18 to 26/06/19	Total £
Receipts				
Property	450,000	353,500	-	353,500
HP vehicles	3,620	3,720	-	3,720
Motor Vehicles	12,240	10,970	-	10,970
Stock, and P&M	62,360	50,174	-	50,174
Cash in hand	3,900	3,900	-	3,900
Debtors	1,525	2,500	-	2,500
Contingent	-	1,500	-	1,500
Refunds	-	1,834	-	1,834
Interest (gross)	-	106	44	150
VAT	-	20	-	20
		428,224	44	428,268
Payments				
Fixed Charge holder Distribution	263,794	266,458	-	266,458
HP Creditor Distribution	2,104	2,104	-	2,104
Liquidators Fixed Charge Fee	-	35,722	-	35,722
Fixed Charge Legal Fees	-	2,680	-	2,680
Fixed charge Agent Fees	-	6,007	-	6,007
Fixed Property costs	-	2,965	-	2,965
Pre Appointment Fees	-	-	-	-
Sof A Fee	-	-	-	-
Liquidators Fees	-	43,364	-	43,364
Liquidators Cat1 Disbursements	-	587	-	587
Liquidators Cat2 Disbursements	-	94	-	94
Postage	-	-	99	99
Stationary	-	-	94	94
Online Reporting	-	21	-	21
Legal Fees	-	2,618	-	2,618
Agents Fees	-	22,604	-	22,604
Professional Fees	-	915	1,050	1,965
Statutory Advertising	-	395	-	395
Bonding	-	3,600	-	3,600
Insurance	-	4,771	-	4,771
Site Clearance & Security	-	1,015	-	1,015
Director	-	10,148	-	10,148
Storage	-	15	105	120
VAT	-	294	250	544
		406,377	1,598	407,975
Balance in Hand		21,847	-	1,554
				20,293
Funds in Hand				20,293
VAT Receivable				274
Total Funds				20,567

*All figures are stated as exclusive of VAT

APPENDIX 3 – Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as liquidators from the estate and includes our fees, but It does not include distributions to creditors.

The table should be read in conjunction with the receipts and payments account at Appendix 1, which shows expenses actually paid during the period and the total paid to date.

	Brought forward from preceding period £	Unpaid expenses b/f £	Incurred in the period under review £	Paid in the period under review £	Unpaid expenses as at 26/06/19 £	Cumulative £	Estimated future £	Anticipated total £
Statement of affairs Fee	-	-	-	-	-	-	-	-
Pre-Appointment Fees	-	-	-	-	-	-	-	-
Liquidators Fixed Charge Fees	35,722	-	-	-	-	35,722	-	35,722
Fixed charge legal fees	2,680	-	-	-	-	2,680	500	3,180
Fixed charge agent fees	6,007	-	-	-	-	6,007	-	6,007
Other fixed charge property costs	2,965	-	-	-	-	2,965	-	2,965
Liquidator's Fees (Time costs – Res 1&2)*	33,879	-	-	-	-	33,879	-*	33,879*
Liquidator's Fees (% Basis – Res 3&4)**	9485	-	-	-	-	9,485	1,327**	10,812**
Director (% basis)	10,148	-	-	-	-	10,148	-	10,148
Postage	447	49	50	99	-	497	123	620
Stationary	152	58	36	94	-	188	88	276
Mileage	189	-	-	-	-	189	-	189
Statutory Advertising	395	-	-	-	-	395	73	468
Storage	38	23	35	105	(47)	73	94	167
Bonding	3,600	-	-	-	-	3,600	-	3,600
Online Reporting	21	-	-	-	-	21	-	21
Agents Fees	21,989	-	-	-	-	21,989	-	21,989
Legal Fees	2,618	-	-	-	-	2,618	-	2,618
ERA Fees	915	-	350	350	-	1265	-	1265
Accountants Fees	-	-	700	700	-	700	500	1,200
Insurance	4,771	-	-	-	-	4,771	-	4,771
Site clearance & Security	1,015	-	-	-	-	1,015	-	1,015

Site	615	-	-	-	-	615	-	615
Maintenance								
Utilities	TBC	TBC			-	TBC	-	TBC
Total	137,651	130	1,171	1,348	(47)	138,822	2,705	141,527

**The Liquidators fees shown are based on those currently approved. In addition, the approved fees are shown in the table above, as opposed to actual time costs which are higher*

***Liquidator's fees on a percentage basis are subject to asset realisations and creditors distributions, and assumes the realization of £770 debtor, and distribution to preferential creditors of £12,502. It does not account for a distribution to unsecured creditors.*

APPENDIX 4 – Remuneration update

Fee approval

The meeting of creditors by correspondence held on 26 August 2016 passed several different resolutions for my remuneration to be based on a combination of time costs and percentage basis, the resolutions passed were;

- 1) **Fee Resolution 1: Commencement of liquidation to 31 July 2016 – Administrative, Statutory, Investigations and Employees** - The Liquidator's fees for dealing with Administrative, Statutory and compliance matters, investigations and employees be calculated by reference to the time properly given by the Liquidator (and their staff at the appropriate skill level) in attending to these matters arising in the insolvency from commencement (27 June 2016) to 31 July 2016, and the Liquidator be authorised to draw fees on account, as and when funds permit, if available.
- 2) **Fee Resolution 2: From 1 August 2016 to completion of the liquidation – Administrative, Statutory, Investigations and Employees** - The Liquidator's fees for dealing with Administrative, Statutory and compliance matters, investigations and employees be calculated by reference to the time properly given by the Liquidator (and their staff at the appropriate skill level) in attending to these matters arising in the insolvency from 1 August 2016 to completion, and the Liquidator be authorised to draw fees on account, as and when funds permit, if available.
- 3) **Fee Resolution 3: Commencement of the liquidation to completion – Asset Realisations and Debtors** - The Liquidator's fees for dealing with Asset Realisations and Debtors be calculated by reference to a percentage of Gross realisations in attending to these matters arising in the insolvency from commencement of the liquidation to completion, and the Liquidator be authorised to draw fees on account, as and when funds permit, if available.
- 4) **Fee Resolution 4: Commencement of the liquidation to completion – Dividends/Distributions and Creditors** - The Liquidator's fees for dealing with Dividends/ Distributions and all Creditors be calculated by reference a percentage of distributions to preferential and unsecured creditors (at 10%) in attending to these matters arising in the insolvency from commencement of the liquidation to completion, and the Liquidator be authorised to draw fees on account, as and when funds permit, if available.
- 5) **Fee Resolution 5: Commencement of the liquidation to completion – Liquidator's Category 2 Disbursements** - The basis of the Liquidator's category 2 disbursements be approved and that the disbursements may be reimbursed to the Liquidator as and when funds permit.

We report on each fee basis / resolution in turn.

Fees approved on Time Cost Basis

Resolutions 1 and 2 are on a time cost basis

Resolution 1

Fee Resolution 1: Commencement of liquidation to 31 July 2016 – Administrative, Statutory, Investigations and Employees - The Liquidator's time costs for the period 27 June 2016 to 31 July 2016 in respect of the Company, for dealing with Administration and Statutory matters, investigations and employees

total £6,197.00 plus VAT, which represents 27.3 hours charged on this case at an average rate of £227.00 per hour.

Remuneration charged during the period of this report is summarised in the section "Our hours and average rates".

Fees drawn under resolution 1 total £6,197.00 and were drawn in the previous period. No fees under this resolution have been drawn this period

As the resolution covers time costs dealing with Administrative, Statutory, Investigation and employees from appointment to 31 July 2016, there have been no further time costs incurred during this period under this resolution. Fees under this resolution were previously drawn in full. There have been no fees drawn under this resolution in this period under review.

This resolution is deemed to be fair and reasonable, as it is based on the actual time costs in dealing with these matters.

Resolution 2

Fee Resolution 2: From 1 August 2016 to completion of the liquidation – Administrative, Statutory, Investigations and Employees - The Liquidator's time costs for the period 27 June 2018 to 26 June 2019 in respect of the Company, for dealing with Administration and Statutory matters, investigations and employees total £8,807.50 plus VAT, which represents 33.4 hours charged on this case at an average rate of £263.78 per hour.

The Liquidator's total post appointment time costs for the period of the liquidation from 1 August 2016 to 26 June 2019 in respect of the Company, for dealing with Administration and Statutory matters, investigations and employees are £44,200 and fees drawn in total are £27,681.75

Total Time Costs

Our total time cost fees under resolution x and x are summarised in the table below;

Fee Basis	For dealing with	Estimated Fees approved* (£)	Actual/ incurred Time costs	Fees Drawn (£)	Approved fees not drawn £	Estimated Future Fees (£)	Anticipated total Fees (£)
Resolution 1 - Time Cost Basis	Statutory and Compliance, Administration and Planning, Employees	6,179.00	6,179.00	6,179.00	Nil	Nil	6,179.00
Resolution 2 - Time Cost Basis	Statutory and Compliance, Administration and Planning, Employees	27,681.75	£8,807.50 for the period of the report, £44,200 in total	£27,681.75	Nil	7,000	£51,200
Total estimated & approved time costs		33,860.75					
Total time costs incurred to date			44,200				
Total fees drawn				33,860.75			

Total approved fees not drawn to date

Nil

In considering the remaining work to be done in this liquidation, I currently anticipate that my time costs for dealing with administration, statutory matters, investigations and employees to completion of the liquidation will be approximately a further £3k in respect of administration and planning and £4k for statutory matters, being mainly annual reporting and closure. I will update creditors on this in my next progress report, or under separate cover in respect of any request for an increase in fees, after preferential creditors have been paid.

Fees approved on Percentage Basis

Resolutions 3 and 4 are on a percentage basis

Resolution 3

Fee Resolution 3: Commencement of the liquidation to completion – Asset Realisations and Debtors -

The following scale was approved for fees on a percentage basis, in respect of asset realisations and debtors

Asset	Declared	Not Declared
Cash and equivalents, all fixed assets including Plant & Machinery, Vehicles, Stock and Work in Progress (which are unlikely to be disputed, but may need assistance from agents)	10%	15%
Other assets which are more difficult to realise and tend to take longer to deal with (such as book debts, including litigation)	20%	25%
Assets which are likely to need a lot of negotiation to realise or tend to be most likely to need court action so take the longest to deal with (such as money owed to the company by the director, employee or associated company)	30%	35%

The liquidator has made the following realisations upon which the creditors have approved a percentage be taken as remuneration. Details of the realisations to date and associated remuneration drawn on account of those realisations is summarised as follows:

Note	Asset category	Value of assets in £ of A (£)	Remuneration % agreed	Estimated fees	Value of assets realised in period (£)	Total value of assets realised since appointment (£)	Total fees invoiced to date	Fees not yet drawn
1	Cash	3,900	10%	390	-	3,900	390	Nil
2	Stock	59,935	10%	5,993.5	-	50,074	5,007.4	Nil
3	Fixtures	537	10%	53.70	-	-	-	-
4	Plant	1888	10%	188.80	-	-	-	-
5	Vehicles	12,240	10%	1,586	-	10,970	1,097	Nil

6	HP Asset	3,620	10%	-	3,720	372	Nil
7	Stock	Nil	15%	-	100	15	Nil
8	Refunds	Nil	15%	-	1,289.54	193.43	Nil
9	Debtors	1,525	20%	305	2,500	500	Nil
10	Debtors	Nil	30%	-	1,500	450	Nil
11	Contingent	Nil	30%	-	545	163.5	Nil
12	Gross	Nil	10%	-	12972.8	1297.28	Nil
	Realisations (VAT on realisations)						
	Total estimated fees			8,517			
	Total fees approved on percentage basis					9485.61	
	Total fees not drawn						Nil
	Total approved fees on percentage basis, drawn to date					9485.61	

Where applicable, further fees will be drawn as assets are realised, in accordance with the percentages previously approved by creditors when fixing the basis of the liquidator's remuneration.

Notes:

- 1) Cash relates to cash and cheques in hand, charged at 10% as identified on the Statement of affairs
- 2-4) Actual realisation of stock also relate to plant and machinery and fixtures and fittings, which were all identified on the statement of affairs and sold at auction
- 5,6) Vehicles disclosed and sold at auction charged at 10%
- 7) relates to a fireplace for a customer that was sold later at auction, hence charged at 15%, as this disputed
- 8) relates to DVLA refunds, not identified at the time of the Statement of affairs
- 9) relates to trade debtors as per the statement of affairs
- 10) relates to additional debtors, being the contingent asset and the £1500 settlement of the court action hence charged at 30%
- 11) relates to the refund of the court fees which was not anticipated or disclosed at the time of the statement of affairs
- 12) The fee resolution was for the approval of gross realisations, hence also 10% of the vat element of realisations of stock, plant and machinery, fixtures and fittings and vehicles.

Where applicable, further fees will be drawn as assets are realised, in accordance with the percentages previously approved by creditors when fixing the basis of the liquidator's remuneration.

The Liquidator's time costs for the period 27 June 2018 to 26 June 2019 in respect asset realisations and debtors total £567 plus VAT, which represents 2.1 hours charged on this case at an average rate of £270.00 per hour.

The Liquidator's total time costs during the liquidation from 27 June 2016 to 26 June 2019 in respect asset realisations and debtors total £6,941 plus VAT, which represents 25.1 hours charged on this case at an average rate of £276.53 per hour.

Further fees, will depend on the realisation of further assets, as some debtors remain outstanding.

This resolution is deemed to be fair, as it is based on percentage basis, to act as an incentive to maximise realisations, furthermore whilst the time costs are less for this work category, overall time costs (across all work categories and resolutions) are more than total fees drawn.

Resolution 4

Fee Resolution 4: Commencement of the liquidation to completion – Dividends/Distributions and Creditors

- The Liquidator's fees for dealing with Dividends/ Distributions and all Creditors (excluding fixed charge holder) be calculated by reference a percentage of distributions to preferential and unsecured creditors (at 10%) in attending to these matters arising in the insolvency from commencement of the liquidation to completion, and the Liquidator be authorised to draw fees on account, as and when funds permit, if available.

The Liquidator's time costs for the period 27 June 2018 to 26 June 2019 in respect dealing with creditors and distribution to creditors total £189 plus VAT, which represents 0.7 hours charged on this case at an average rate of £270.00 per hour.

The Liquidator's total time costs for the duration of the liquidation from 27 June 2016 to 26 June 2019 in respect dealing with creditors and distribution to creditors total £4,975.00 plus VAT, which represents 19.5 hours charged on this case at an average rate of £255.13 per hour.

Further fees, will depend on the dividend distributions to creditors. We estimate that preferential creditors will be paid in full, resulting in further fees in the region of £1,250 being approved under this resolution. Additional time costs will however also be incurred in adjudicating claims and processing any distribution.

It is uncertain whether a dividend will be paid to unsecured creditors, should a dividend be paid to unsecured creditors, further fees will be drawn under this resolution.

This resolution is deemed to be fair, as it is based on percentage basis, to act as an incentive to maximise distributions to creditors, furthermore any estimated fees that would be approved under this resolution will be lower than those on a time cost basis, given the time costs already incurred.

Our hours and average rates

Our hours and average rates are shown for each area of work as approved under the different resolutions,

Whilst we have no statutory requirement to provide the information for the areas of work covered by percentage or fixed fee basis, we make this information available for transparency and completeness.

Resolution 2

THE DERBY FIREPLACE COMPANY LTD - IN CVL Liquidators time costs from 27 June 2018 to 26 June 2019									
In respect of Administration, Employees, Investigations and Statutory matters									
	Units			Cost (£)			Total Sum of Units	Total Sum of Total	Average hourly rate (£)
	Secretarial & Support	Case Administrator	Insolvency Practitioner	Secretarial & Support	Case Administrator	Insolvency Practitioner			
P - Case review		1.0	0.2		270.00	85.00	1.2	355.00	295.83
P - Cashiering etc	3.3	2.3	1.3	412.50	621.00	552.50	6.9	1,586.00	229.86
P - Company information Admin	1.1	0.4		137.50	108.00		1.5	245.50	163.67
P - Insurance		1.1	0.3		297.00	127.50	1.4	424.50	303.21
P - Strategy planning & Control		0.7	0.3		189.00	127.50	1.0	316.50	316.50
P - Tax		3.3			891.00		3.3	891.00	270.00
Admin & Planning Total	4.4	8.8	2.1	550.00	2,376.00	892.50	15.3	3,818.50	249.58
Employees									
E - Insol		1.3			351.00		1.3	351.00	270.00
Employees Total		1.3			351.00		1.3	351.00	270.00
Freehold/Leasehold									
F - Other Property Matters		0.7			189.00		0.7	189.00	270.00
Freehold/Leasehold Total		0.7			189.00		0.7	189.00	270.00
Statutory									
S - Bonding		1.2	1.2		324.00	510.00	2.4	834.00	347.50
S - Consent & Optima		0.6			162.00		0.6	162.00	270.00
S - Notices	0.9	0.8	0.3	112.50	216.00	127.50	2.0	456.00	228.00
S - Receipts & Payments		0.8			216.00		0.8	216.00	270.00
S - Reports to Creditors		10.3			2,781.00		10.3	2,781.00	270.00
Statutory Total	0.9	13.7	1.5	112.50	3,699.00	637.50	16.1	4,449.00	276.34
Grand Total	5.3	24.5	3.6	662.50	6,615.00	1,530.00	33.4	8,807.50	263.70

Note: Time costs for dealing with Administration, Employees, Investigations and Statutory matters for the period 27 June 2016 to 31 July 2017 have been accounted for and drawn under Fee Resolution 1 (and are covered separately in this report).

Total time costs under Fee Resolution 1 27.3 6197 226,9963

Total fees drawn under Fee Resolution 1 during the period 27 June 2016 to 26 June 2017 (as approved) 6197

Total time costs under Fee Resolution 2 for 1 August 2016 to 26 June 2017	107.3	28,442.00	265.07
Total time costs under Fee Resolution 2 for 27 June 2017 to 26 June 2018	25.6	6,950.50	271.50
Total time costs under Fee Resolution 2 for 27 June 2018 to 26 June 2019	33.4	8,807.50	263.70
Total time costs under Fee Resolution 2 for 1 August 2016 to 26 June 2019	166.3	44,200.00	265.78

Total fees drawn under Fee Resolution 2 during the period 1 August 2016 to 26 June 2017	27,639.12
Total fees drawn under Fee Resolution 2 during the period 27 June 2017 to 26 June 2018	42.63
Total fees drawn under Fee Resolution 2 during the period 27 June 2018 to 26 June 2019	
Total fees drawn under Fee Resolution 2 during the period 1 August 2016 to 26 June 2019	27,681.75

Total Fees approved under Resolution 2 27,681.75

Resolution 3

THE DERBY FIREPLACE COMPANY LTD - IN CVL Liquidators time costs from 27 June 2018 to 26 June 2019									
In respect of Asset realisation (Excluding property) and Debtors									
	Units			Cost (£)			Total Sum of Units	Total Sum of Total	Average hourly rate (£)
	Secretarial & Support	Case Administrator	Insolvency Practitioner	Secretarial & Support	Case Administrator	Insolvency Practitioner			
Freehold/Leasehold									
FF - Rates			2.1		567.00		2.1	567.00	270.00
Grand Total			2.1		567.00		2.1	567.00	270.00

Total time costs for 27 June 2016 to 26 June 2017, dealing with Asset realisations (Excl. property & Debtors)	22.4	6,212.00	277.32
Time costs for the period 27 June 2017 to 26 June 2018, for dealing with Asset realisations (Excl. property) & Debtors	0.6	167.00	270.00
Time costs for the period 27 June 2018 to 26 June 2019, for dealing with Asset realisations (Excl. property) & Debtors	2.1	567.00	270.00
Total Time Costs under Resolution 3	25.1	6,941.00	276.53

Resolution 4

THE DERBY FIREPLACE COMPANY LTD - IN CVL Liquidators time costs from 27 June 2018 to 26 June 2019									
In respect of Creditors									
	Units			Cost (£)			Total Sum of Units	Total Sum of Total	Average hourly rate (£)
	Secretarial & Support	Case Administrator	Insolvency Practitioner	Secretarial & Support	Case Administrator	Insolvency Practitioner			
C - Preferential Creditor Correspondance			0.1		27.00		0.1	27.00	270.00
C - Secured Creditor Correspondance			0.4		108.00		0.4	108.00	270.00
C - Unsecured Creditor Correspondance			0.2		54.00		0.2	54.00	270.00
Grand Total			0.7		189.00		0.7	189.00	270.00

Total time costs under Fee Resolution 4 for 27 June 2016 to 26 June 2017	11.2	2,672.00	238.57
Total time costs under Fee Resolution 4 for 27 June 2017 to 26 June 2018	7.6	2,114.00	278.16
Total time costs under Fee Resolution 4 for 27 June 2018 to 26 June 2019	0.7	189.00	270.00
Total time costs under Fee Resolution 4 27 June 2016 to 26 June 2019	19.5	4,975.00	255.13

Our time charging policy and hourly rates

In accordance with the guidance given in SIP9 (E&W), details of our charge out rates and policy is provided below.

Set out below are our hourly rates with effect from 1 November 2014 to date, excluding VAT:

Grade / Skill Level	£
Insolvency Practitioners & Directors	375
Case Administrators	225
Secretarial & Support	110

In common with many professional firms, our scale rates may rise to cover annual inflationary cost increases. The charge out rates were increased on 1 November 2016, as such set out below are hourly rates with effect from 1 November 2016 to date, excluding VAT:

Grade / Skill Level	£
Insolvency Practitioners & Directors	425

For a complete copy of our time charging policy, please refer to the attached document.

Case Administrators	270
Secretarial & Support	125

The time charged to the Liquidation is by reference to the time properly given by the Liquidator and their staff in attending to matters arising.

It is the Liquidator's policy to charge the Insolvency Practitioner (and staff), at the appropriate skill level (at the rates detailed above) required for a particular task, based on the complexity and responsibility associated with that task, so as to maximize the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by directors / the insolvency practitioners themselves.

Time spent working on the case is recorded on the firm's time recording system. The time charged is recorded in six minute units, by reference to actual work carried out on the assignment. There is no allocation of any general costs or overheads.

Our work carried out in the period 27 June 2018 to 26 June 2019

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Statutory - Reporting to Creditors	<ul style="list-style-type: none"> Loading reports onto online system and notification to creditors of new report by mail Circulation and preparation of the Annual Progress report for the liquidation 	<ul style="list-style-type: none"> To comply with mandatory statutory and other obligations 	<ul style="list-style-type: none"> Required by statute/regulations
Statutory - Receipts & Payments	<ul style="list-style-type: none"> Preparation of the receipts and payments as part of creditors reports Filing receipts and payments at Companies House. 	<ul style="list-style-type: none"> To comply with mandatory statutory and other obligations 	<ul style="list-style-type: none"> Required by statute/regulations
Statutory - Bonding	<ul style="list-style-type: none"> Regular review of the bonding level 	<ul style="list-style-type: none"> To comply with statutory obligations 	<ul style="list-style-type: none"> Required by statute/regulations
Statutory - Notices	<ul style="list-style-type: none"> Filing statutory notices at Companies House 	<ul style="list-style-type: none"> To comply with mandatory statutory and other obligations 	<ul style="list-style-type: none"> Required by statute/regulations
Administration & Planning - Case Review	<ul style="list-style-type: none"> Annual reviews Budgets and cost monitoring 	<ul style="list-style-type: none"> For proper management of the case 	<ul style="list-style-type: none"> Controls time costs and ensures efficient case progression

Administration & Planning - Cashiering	<ul style="list-style-type: none"> • Bank account reconciliations • Accounting for all receipts and Payments • Maintaining ledger of transactions within the liquidation • Payment of professional fees • Corresponding the Company accountants for information on the tax position of the property • Dealing with records in storage • General filing 	<ul style="list-style-type: none"> • To manage the Company's bank accounts 	<ul style="list-style-type: none"> • Ensures proper financial control of cash • Required by statute and regulations
Administration & Planning - Company information, Administration	<ul style="list-style-type: none"> • Review of overall position of the liquidation • Budgets and cost monitoring 	<ul style="list-style-type: none"> • For the proper management of the case 	<ul style="list-style-type: none"> • Controls time costs and ensures efficient case progression
Administration & Planning - Strategy Planning & Control	<ul style="list-style-type: none"> • Correspondence with HMRC • Complying with the Company's tax obligations including submission of annual returns • Correspondence with Sibbalds Chartered Accountants re terminal loss relief and CT returns • Reviewing drafted CT returns 	<ul style="list-style-type: none"> • To comply with legal requirements 	<ul style="list-style-type: none"> • Required by statute or other legal requirement • Ensures any available tax and VAT recoveries are made for the benefit of the Liquidation
Administration & Planning - Tax			
Creditors – Preferential Creditor Correspondence / Enquiries	<ul style="list-style-type: none"> • Dealing with preferential creditor correspondence and requests for updates via post, email and telephone • Review and prepare correspondence to creditors • Dealing with ad hoc creditor enquiries • Instruct Insol / Evolve re preferential claims 	<ul style="list-style-type: none"> • To keep creditors informed on the progress of the case • For distribution of funds to preferential creditor 	<ul style="list-style-type: none"> • Work is required by statute and for the proper administration of the case.
Creditors – Unsecured Creditor Correspondence / Enquiries	<ul style="list-style-type: none"> • Dealing with unsecured creditor correspondence and requests for updates via post, email and telephone • Review and prepare correspondence to creditors • Dealing with ad hoc creditor enquiries • Corresponding re portal access 	<ul style="list-style-type: none"> • To keep creditors informed on the progress of the case 	<ul style="list-style-type: none"> • Work is required by statute and for the proper administration of the case.
Freehold /Leasehold Property – Other property Matters	<ul style="list-style-type: none"> • Finalising property matters following vacation • Liaising with utility companies in respect of amounts owed to them or to the company • Liaising with solicitors to remove the charges from 	<ul style="list-style-type: none"> • To close off all property related matters properly and ensure all costs have been accounted for, 	<ul style="list-style-type: none"> • Ensures proper management of the sale of assets • Ensures assets are realised for the benefit of the liquidation

	<ul style="list-style-type: none"> • registrar of companies on completion of liquidation • Liaising with Lloyds to confirm charges as satisfied • Liaising with local authority with regards to rates refunds • Instructing Exacta to carry out rates review for any further refund 	<ul style="list-style-type: none"> • and any refunds repaid • To maximise asset realisations for the liquidation 	<ul style="list-style-type: none"> • Protects realisations for the benefit of the Liquidation • Asset realisations will improve the dividend position for Company creditors
Freehold /Leasehold Property - Rates			

Our future work

We still need to do the following work in the liquidation

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Statutory - Reporting to Creditors	<ul style="list-style-type: none"> • Loading reports onto online system and notification to creditors of new report by mail • Circulation and preparation of the Annual Progress report for the liquidation • Circulation and preparation of the Final report 	<ul style="list-style-type: none"> • To comply with mandatory statutory and other obligations 	<ul style="list-style-type: none"> • Required by statute/regulations
Statutory - Receipts & Payments	<ul style="list-style-type: none"> • Preparation of the receipts and payments as part of creditors reports • Filing receipts and payments at Companies House. 	<ul style="list-style-type: none"> • To comply with mandatory statutory and other obligations 	<ul style="list-style-type: none"> • Required by statute/regulations
Statutory - Bonding	<ul style="list-style-type: none"> • Regular review of the bonding level 	<ul style="list-style-type: none"> • To comply with statutory obligations 	<ul style="list-style-type: none"> • Required by statute/regulations
Statutory – Consent and Opting	<ul style="list-style-type: none"> • Record of consent to electronic delivery • Maintenance of electronic delivery schedules • Record of creditors wishing to opt out • Record of creditors revoking opting out • Maintenance of opted out schedules 	<ul style="list-style-type: none"> • To ensure efficient delivery of information to creditors • To save costs on delivery of information to creditors • To properly record creditors wishes regarding communication 	<ul style="list-style-type: none"> • Required by statute/regulations • To ensure efficient delivery of information to creditors and delivery cost savings

Statutory - Notices	<ul style="list-style-type: none"> • Notices of decision procedures to creditors, including, but not limited to, the outcome of any decision. In this case to be used for the formation of a committee • Filing statutory notices at Companies House • Statutory advertising of any meetings • Notice of closure of liquidation to PPF • Filing statutory notices at Companies House • Notice of closure 	<ul style="list-style-type: none"> • To comply with mandatory statutory and other obligations 	<ul style="list-style-type: none"> • Required by statute/regulations
Statutory – Other	<ul style="list-style-type: none"> • Updating case records • Internal compliance procedures • Case Closure 	<ul style="list-style-type: none"> • To comply with mandatory statutory and other obligations 	<ul style="list-style-type: none"> • Required by statute
Statutory – Release and Removal	<ul style="list-style-type: none"> • Final report and account • Notice of release and removal from office 	<ul style="list-style-type: none"> • To comply with mandatory statutory and other obligations 	<ul style="list-style-type: none"> • Required by statute
Administration & Planning - Case Review	<ul style="list-style-type: none"> • Annual reviews • Budgets and cost monitoring 	<ul style="list-style-type: none"> • For proper management of the case 	<ul style="list-style-type: none"> • Controls time costs and ensures efficient case progression
Administration & Planning - Case set up, Checklists	<ul style="list-style-type: none"> • Completing checklists on progression of liquidation • Closing the case records 	<ul style="list-style-type: none"> • For proper management of the case 	<ul style="list-style-type: none"> • Controls the progression of the case
Administration & Planning - Cashiering	<ul style="list-style-type: none"> • Closing bank accounts • Bank account reconciliations • Accounting for all receipts and Payments • Bank reconciliations • Maintaining ledger of transactions within the liquidation • Dividend payment • Payment of professional fees • Dealing with unclaimed dividend cheques 	<ul style="list-style-type: none"> • To manage the Company's bank accounts 	<ul style="list-style-type: none"> • Ensures proper financial control of cash • Required by statute and regulations
Administration & Planning - Company information, Administration	<ul style="list-style-type: none"> • Dealing with records in storage • Sending job files to storage 	<ul style="list-style-type: none"> • To manage company records 	<ul style="list-style-type: none"> • Work required for proper case management
Administration & Planning - Strategy Planning & Control	<ul style="list-style-type: none"> • Review of overall position of the liquidation • Analysis of options and strategy documentation. • Budgets and cost monitoring 	<ul style="list-style-type: none"> • For the proper management of the case 	<ul style="list-style-type: none"> • Controls time costs and ensures efficient case progression
Administration & Planning - Tax	<ul style="list-style-type: none"> • Correspondence with HMRC • Final VAT193 and VAT 426/7 forms • Complying with the Company's tax obligations 	<ul style="list-style-type: none"> • To comply with legal requirements 	<ul style="list-style-type: none"> • Required by statute or other legal requirement • Ensures any available tax and

	<ul style="list-style-type: none"> including submission of annual returns • VAT BDR claim in respect of debtor written off • Chase payment of Terminal Loss relief claim • Requesting clearance from HMRC on all tax matters prior to closure • Submitting the final VAT return to HMRC 		VAT recoveries are made for the benefit of the Liquidation
Debtors - Correspondence with debtors	<ul style="list-style-type: none"> • Correspondence with debtors, requesting payment • Reviewing reasons for non-payment 	<ul style="list-style-type: none"> • To properly record debtor details • To enable debtors to put their side of events forward 	<ul style="list-style-type: none"> • Ensures information is up to date for debtor collections • Any debtor collections will improve the dividend position for Company creditors
Debtors - Agreeing debts	<ul style="list-style-type: none"> • Agree outstanding amount with debtors • Checking bank statements where debtors claim payment prior to liquidation • Calculate late payment and interest, if required • Agree terms for payment 	<ul style="list-style-type: none"> • To realise assets 	<ul style="list-style-type: none"> • For the financial benefit of the case
Debtors - Receipts	<ul style="list-style-type: none"> • Receive payment of book debts • Updating debtors' records 	<ul style="list-style-type: none"> • To account for receipts from debtors 	<ul style="list-style-type: none"> • Debtor collections will improve the dividend position for Company creditors
Debtors - VAT Bad Debt	<ul style="list-style-type: none"> • Where book debts cannot be realised, assess VAT Bad Debt relief claim • Submit VAT Bad Debt Relief claim • Correspondence with HMRC 	<ul style="list-style-type: none"> • To claim funds the company is entitled to, and to maximise funds 	<ul style="list-style-type: none"> • For financial benefit to the case
Creditors – Secured Creditor Correspondence / Enquiries	<ul style="list-style-type: none"> • Liaising with secured creditor regarding claim finalization and removal of charges • Dealing with ad hoc creditor enquiries 	<ul style="list-style-type: none"> • To keep creditors informed on the progress of the case • For distribution of funds to secured creditor 	<ul style="list-style-type: none"> • Work is required by statute and for the proper administration of the case.
Creditors – Preferential Creditor Correspondence / Enquiries	<ul style="list-style-type: none"> • Dealing with preferential creditor correspondence and requests for updates via post, email and telephone • Review and prepare correspondence to creditors • Liaising with preferential creditor regarding claim finalization 	<ul style="list-style-type: none"> • To keep creditors informed on the progress of the case • For distribution of funds to preferential creditor 	<ul style="list-style-type: none"> • Work is required by statute and for the proper administration of the case.

	<ul style="list-style-type: none"> • Liaising with Evolve re preferential claims • Dealing with ad hoc creditor enquiries 		
Creditors – Unsecured Creditor Correspondence / Enquiries	<ul style="list-style-type: none"> • Dealing with unsecured creditor correspondence and requests for updates via post, email and telephone • Review and prepare correspondence to creditors • Dealing with ad hoc creditor enquiries 	<ul style="list-style-type: none"> • To keep creditors informed on the progress of the case 	<ul style="list-style-type: none"> • Work is required by statute and for the proper administration of the case.
Creditors - Agreeing claims	<ul style="list-style-type: none"> • Processing Proofs of Debt (POD) & Reviewing creditors' claims, if and when a dividend to creditors can be paid, including; • Preparation of correspondence to potential creditors inviting lodgement of POD • Receipt of POD • Maintain POD register • Adjudicating POD • Request further information from claimants regarding POD • Preparation of correspondence to claimant advising outcome of adjudication 	<ul style="list-style-type: none"> • To determine the claims of creditors prior to any dividend 	<ul style="list-style-type: none"> • Work is required by statute and for the proper administration of the case.
Creditors - Dividend distribution (<ul style="list-style-type: none"> • Preparation of correspondence to creditors advising of intention to declare dividend • Advertisement of intention to declare dividend • Preparation of dividend calculation • Preparation of correspondence to creditors announcing declaration of dividend • Advertise announcement of dividend • Preparation of distribution • Preparation of dividend file • Preparation of payment vouchers to pay dividend • Preparation of correspondence to creditors enclosing payment of dividend 	<ul style="list-style-type: none"> • Essential to provide creditors with their distribution • Required by statute 	<ul style="list-style-type: none"> • Distribution of funds to respective category of creditor as required by statute
Creditors - Processing Claims	<ul style="list-style-type: none"> • Correspondence with employees, Insol & RPO regarding dividend 	<ul style="list-style-type: none"> • Essential to provide creditors 	<ul style="list-style-type: none"> • Distribution of funds to respective

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| <ul style="list-style-type: none"> • Correspondence with RPO regarding proof of debt • Calculating dividend rate • Preparing dividend file • Advertising dividend notice • Preparing distribution • Receipting POD • Adjudicating POD • Ensuring PAYE is remitted to HMRC | <ul style="list-style-type: none"> • with their distribution • Required by statute | category of creditor as required by statute |
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Our expense policy

The Liquidator's firm's expenses policy allows for all properly incurred expenses to be recharged to the case. Disbursements are charged to the assignment as follows:-

Direct Expenses - Category 1 Disbursements (Creditor approval not required)

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case, will be charged to the estate at cost, with no uplift. These include, but are not limited to, such items as case advertising, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case.

Disbursement	Amount
Postage	As per current postal charges
Other disbursements i.e. Advertising, bonding, professional and legal costs	At cost
Company and Individual searches	At cost
Room hire where required for Statutory Meetings (Whether meetings are attended or not)	At cost
Other third-party expenses incurred directly in connection with the case	At cost
Travel & accommodation costs as required	At cost (Hotels, Air Travel, Rail, Taxis, Public Transport, Parking, Subsistence etc.).
Mileage	45p per mile

Indirect Expenses - Category 2 Disbursements (Creditor approval required)

It is our normal practice to also charge the following indirect disbursements ("Category 2 disbursements" as defined by SIP9) to the case, where appropriate:

Disbursement	Amount
Photocopying (only charged for circulars to creditors or for exceptional amounts of copying)	10p per sheet
Envelopes (only charged for circulars to creditors)	25p each
Storage (when stored internally)	£1.30 per box per month
Archive Boxes	£1.50 per box

Storage and Archiving Charges

Where we use a commercial archiving company for storage facilities for companies records and papers. This is recharged to the estate at cost, along with their cost for collection. Alternatively, we may collect and store the companies records and papers at our storage facility, this is charged at a lower rate of £1.30 per box per month for storage and an initial cost of £1.50 per box is charged for archive boxes were required. We also use our own personnel and vehicle for collection of the Books and records for which we charge £45 per hour.

Travel

Mileage incurred as a result of any necessary travelling is charged to the estate at HM Revenue & Customs approved rate, currently 45p per mile.

Disbursements

We do not need get approval to draw expenses or disbursements unless they are for shared or allocated services provided by our own firm, including room hire, document storage, photocopying etc. These types of expenses are called "Category 2" disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same party who approve our fees.

Our expense policy (detailed above) allows for all properly incurred expenses to be recharged to the liquidation and have been approved by creditors where required.

The following disbursements arose in the period of this report.

Category	Cost	Provider	Costs incurred £
1	Postage – postage costs for issuing circulars of reports and notices (as above, at cost)	Royal Mail	£50.25
1	ERA services – for calculation of preferential claims, RTI and PAYE set up	Evolve	£350
1	Accountancy services – for assessment of terminal loss relief and completion of CT returns accounting for any gain / loss on the property etc	Sibbalds Chartered Accountants	£700
2	Storage	LM Insolvency	£35.10
2	Stationary – photocopying and envelopes (as per the firm policy above)	LM Insolvency	£35.75

All expenses listed above have been paid. In addition, legal cost with regards to the removal of charges is yet to be confirmed by Ellis Femor.

Legal and other professional firms

We've instructed the following professionals on this case;

Service provided	Name of firm / organisation	Reason selected	Basis of fees
The removal of assets from 3 premises, the	John Pye & Sons	Qualified valuers, specializing in liquidated	Commission of 20% plus time costs and

valuation and auction of assets		stock and local auction house	disbursements for removal of assets, totaling £21,989.12 (with an element written off)
Site maintenance including the drain down of systems, securing locks and post boxes, and patrols	John Pye & Sons	Were also agents for the sale of the property, so had keys and were local	Costs on a job by job basis total £615
Sale agreement for the freehold property and leasehold car park, and assistance on removing car parking operatives from site	Ellis Fermor	Expertise	Time costs
Marketing and sale of property	Savills	Prior knowledge of the property and expertise	1.5% commission plus marketing costs of £705
Site clearance of 2 Arkwright street prior to sale	Controlled demoiition	Available at short notice prior to sale, secure disposal if required	£2500 plus £200 for additional labour
Insurance of premises and assets	IRS	Specialise in insurance for insolvency cases	£4771.03
Clearance of skips at Raynesway	Magfern Skips	Prior knowledge and provider of skips originally	£525.00
ERA Services at appointment	Trinity IP Solutions	Specialise in ERA expertise	£250 site visit and £15 per employee, total £415
ERA services for processing redundancy claims and deling with preferential claims	Insol Group	Specialist ERA providers	£500 based on 11 employees re redundancy, and £50 for preferential claims
CT returns including assessment of terminal loss relief, chargeable gains / losses	Sibbalds Chartered Accountants	Expertise	Time cost basis
Legal services for dealing with ongoing court case, assessing the likely outcome and negotiating a settlement out of court	Ellis Fermor	Expertise in litigation	£2,618.10

Our relationships

Details of subcontracted work

In addition, the director, Keith Harrison agreed to assist with sale of assets in particular stock, providing valuable knowledge for listing of assets and auction, and identifying various components to make up a lot for sale. It was agreed a success fee on a percentage basis, being 20% of the stock value (for the avoidance of doubt this excludes vehicles) would be paid, subject to funds being available. A success fee was deemed fair and reasonable, in order to incentivise the maximization of realisations through his assistance.

Consultants

From time to time, the firm may engage the services of self-employed or freelance consultants to assist in the administration of a case.

Where such consultants are engaged, their time is charged and recorded on the firm's time recording system at the level commensurate with their experience and at the same grade as equivalently experienced and directly employed staff fulfilling that role.