

The Insolvency Act 1986

Administrator's progress report

Name of Company
The Miracle Chair Company Limited

Company number
08086051

In the High Court of Justice, Chancery Division, Leeds District Registry (full name of court)
--

Court case number
518 of 2015

(a) Insert full
name(s) and
address(es) of
administrator(s)

IAWe (a)
David Frederick Wilson
DFW Associates
29 Park Square West
Leeds
LS1 2PQ

Administrator of the above company attach a progress report for the period

(b) Insert date

From
(b) 16th December 2015

To
(b) 13th May 2016

Signed

Administrator

Dated

13th May 2016

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

The contact information that you give will be visible to searchers of the public register

David Frederick Wilson
DFW Associates
29 Park Square West
Leeds
LS1 2PQ

DX Number

0113907940
DX Exchange

Co

TUESDAY



A12 *A577NM5S* #255
17/05/2016
COMPANIES HOUSE

When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

David Frederick Wilson was appointed as Administrator of the company on 16th June 2015

THE MIRACLE CHAIR COMPANY LIMITED – IN ADMINISTRATION

Progress report of the Administrator pursuant to Rule 2.47 of the Insolvency Rules 1986

Period 16th December 2015 to 13th May 2016

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

CONTENTS

- 1 ABBREVIATIONS
- 2 STATUTORY INFORMATION
- 3 DETAILS OF APPOINTMENT OF ADMINISTRATOR
- 4 PROGRESS DURING THE PERIOD
- 5 ESTIMATED OUTCOME FOR CREDITORS
- 6 ADMINISTRATOR'S REMUNERATION AND DISBURSEMENTS
- 7 ASSETS THAT REMAIN TO BE REALISED
- 8 OTHER RELEVANT INFORMATION
- 9 CREDITORS' RIGHTS
- 10 CONCLUSION

APPENDICES

- 1 ADMINISTRATOR'S RECEIPTS AND PAYMENTS ACCOUNT FROM 16TH DECEMBER 2015
TO 13TH MAY 2016
- 2 ADMINISTRATOR'S SIP 9 TIME COSTS AND DISBURSEMENTS ANALYSIS FOR THE
PERIOD 16TH DECEMBER 2015 TO 13TH MAY 2016

1. ABBREVIATIONS

"the Act"	Insolvency Act 1986 (as amended)
"the court"	High Court of Justice, Chancery Division, Leeds District Registry
"CVL"	Creditors' Voluntary Liquidation
"the Administrator"	D F Wilson

2. STATUTORY INFORMATION

Company Name	The Miracle Chair Company Limited
Trading Name	The Miracle Chair, Freedman Seats
Trading activities	Specialised Design Activities
Company number	08086051
Date of incorporation	28 th May 2012
Trading Address	8 St John Street, Manchester, M3 4DU
Registered office	29 Park Square West, Leeds, LS1 2PQ
Previous registered office	8 St John Street, Manchester, M3 4DU

Directors	<u>Name</u>	<u>Appointed</u>	<u>Resigned</u>
	Hugh Alexander Briggs	3 rd May 2013	-
	Simon Freedman	3 rd May 2013	-
	Emma Freedman	28 th May 2012	-

Charge A fixed & floating charge Debenture in favour of Hugh Alexander Briggs

Date Created 4th July 2014, Registered 23rd July 2014

3. DETAILS OF APPOINTMENT OF ADMINISTRATOR

Name of Administrator	David Frederick Wilson, a Licenced Insolvency Practitioner of DFW Associates, 29 Park Square West, Leeds, LS1 2PQ
Date of Administrator's appointment	16 th June 2015
Court	High Court of Justice, Chancery Division, Leeds District Registry
Court Case Number	518 of 2015
Person making appointment	Hugh Alexander Briggs - QFC
Acts of the Administrator	The Administrator acts as an officer of the court and as an agent of the Company without personal liability Any act required or authorised under an enactment to be done by an Administrator may

be done by any one or more persons holding the office of Administrator from time to time

EC Regulations

The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation

STATUTORY PURPOSE OF ADMINISTRATION

Paragraph 3 of Schedule B1 to the Act provides as follows

- 3 (1) The Administrator of a company must perform his functions with the objective of
- (a) Rescuing the company as a going concern, or
 - (b) Achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration), or
 - (c) Realising property in order to make a distribution to one or more secured or preferential creditors
- (2) Subject to sub-paragraph (4), the Administrator of a company must perform his functions in the interests of the company's creditors as a whole
- (3) The Administrator must perform his functions with the objective specified in sub-paragraph (1) (a) unless he thinks either –
- (a) that it is not reasonably practicable to achieve that objective, or
 - (b) that the objective specified in sub-paragraph (1) (b) would achieve a better result for the company's creditors as a whole
- (4) The Administrator may perform his functions with the objective specified in sub-paragraph (1) (c) only if –
- (a) he thinks that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph (1) (a) and (b), and
 - (b) he does not unnecessarily harm the interests of the creditors of the company as a whole

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is an abstract of the receipts and payments for the period 16th December 2015 to 13th May 2016

Receipts

VAT Refund

A refund of £3,032 45 is due in respect of a VAT

Payments

Office Holder's Fees

The sum of £3,500 has been paid to DFW Associates in relation to their fees

5. ESTIMATED OUTCOME FOR CREDITORS

Secured Creditor

Hugh Alexander Briggs hold security by way of a Debenture dated 4th July 2014 and registered 23rd July 2014, granting a fixed and a floating charge covering all property and undertakings

The amount outstanding at the date of appointment was approximately £200,000

Preferential Creditors

There are no creditors of this classification

Unsecured Creditors

Unsecured creditors were estimated to total £860,473 24, as per the statement of affairs Claims totalling £39,836 20 have been received

6 ADMINISTRATOR'S REMUNERATION & DISBURSEMENTS

Attached at appendix 1 is a Receipts and Payments account from the commencement of the Administration

The Administrator's remuneration has been fixed by reference to the time properly given by the Administrator and the various grade of staff calculated at the prevailing hourly charge out rates of DFW Associates in attending to matters arising in the Administration and we are authorised to draw disbursements, including disbursements for services provided (defined as category 2 disbursements in Statement of Insolvency Practise 9) in accordance with the firm's policy, details of which are attached

The time costs for the period 16th December 2015 to 13th May 2016 are £4,366 25 which represents 18 25 hours at an average hourly rate of £239 25

The following information in relation to the time costs and disbursements is set out in the attachments

- Table of time spent and charge out value for the period
- DFW Associates policy for re charging disbursements
- DFW Associates charge-out rates

To date £35,926 75 plus VAT has been drawn in relation to time costs

Disbursements of £6,753 have been incurred and drawn A breakdown of the disbursements is shown below

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount (£)
Specific Bond	480 00
Office Holder Expenses	398 00
Agent Fees	1,500 00
Legal Fees	4,300 00
Statutory Advertising	75 00
TOTAL	6,753.00

A copy of 'a creditors guide to Administrators fees (E&W) 2011' which provides guidance on creditors rights on how to approve and monitor Administrators' remuneration and on how remuneration is set, can be obtained by request

7. ASSETS THAT REMAIN TO BE REALISED

All assets have now been realised, leaving no outstanding realisations. However, I expect to receive a small tax rebate which will contribute to the surplus of funds held.

8. OTHER RELEVANT INFORMATION

Report on the Director's conduct

As detailed in the Administrator's statement of proposals, the Administrator has a duty to submit a report to the Department for Business Innovation and Skills on the conduct of the Directors. The Administrator has complied with his duties in this regard.

9. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 2.48A of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor (or unsecured creditors with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that the Administrator provides further information about their remuneration or expenses (other than pre-administrations costs) which have been detailed to this report.

Right to make an application to court

Pursuant to Rule 2.109 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors, including that creditor or any unsecured creditors with less than 10% in value of unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, with permission of the court), may within 8 weeks of receipt of this progress report make an application to court on the grounds that the remuneration charged or the expenses incurred by the Administrator as set out in this progress report are excessive or, in relation to the basis fixed for the Administrator's remuneration.

10. CONCLUSION

As per my Proposals, I intend on implementing the provisions of paragraph 83 of Schedule B1 to the Act, enabling the company to move to Administration to Creditors' Voluntary Liquidation. Upon the filing of form 2.34B (attached to this report) the company will be placed into Liquidation and David Frederick Wilson of DFW Associates will be appointed as Liquidator.

Should you have any further queries regarding the report and its contents please contact my office on 0113 390 7940.



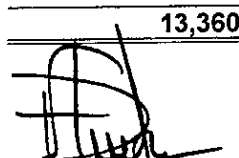
D F Wilson
Administrator

Date 13th May 2016

**The Miracle Chair Company Limited
(In Administration)**

ADMINISTRATOR'S RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 16/12/2015 To 13/05/2016 £	From 16/06/2015 To 13/05/2016 £
RECEIPTS			
Goodwill	15,000 00	0 00	0 00
Stock	10,000 00	0 00	9,996 00
Tax Refund	4,933 56	0 00	0 00
Intercompany Debt - Freedman Seats Ltd	10,000 00	0 00	0 00
Tooling	NIL	0 00	0 00
Goodwill		0 00	15,004 00
Tax Refund		0 00	4,933 56
VAT Refund		0 00	18,312 44
Cash at Bank		0 00	14,123 27
Bank Interest Gross		4 41	8 19
Merchant Banking Deposit	NIL	0 00	0 00
Vat Control Account		3,032 45	3,032 45
		<u>3,036 86</u>	<u>65,409 91</u>
PAYMENTS			
Hugh Briggs - Debenture	(250,000 00)	0 00	0 00
Tooling		0 00	0 00
Merchant Banking Deposit		0 00	0 00
Specific Bond		0 00	480 00
Pre-appointment fees		0 00	6,337 50
Office Holders Fees		3,500 00	35,926 75
Office Holders Expenses		0 00	398 00
Agents/Valuers Fees		0 00	1,500 00
Legal Fees		0 00	4,300 00
Statutory Advertising		0 00	75 00
Trade & Expense Creditors	(110,473 24)	0 00	0 00
Venture Founders	(670,000 00)	0 00	0 00
Simon Freedman & Emma Freedman	(80,000 00)	0 00	0 00
Ordinary Shareholders	(127 59)	0 00	0 00
Vat Receivable		700 00	3,032 45
		<u>4,200 00</u>	<u>52,049 70</u>
BALANCE - 13 May 2016			<u><u>13,360 21</u></u>


David Frederick Wilson
Administrator

Time Entry - SIP9 Time & Cost Summary

ADM0012 - The Miracle Chair Company Limited
Project Code POST
From 16/12/2015 To 12/05/2016

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	1 90	0 00	0 00	8 50	10 40	2 130 00	204 81
Case Specific Matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	4 60	0 00	0 00	1 75	6 35	1 748 75	275 39
Investigations	0 90	0 00	0 00	0 00	0 90	292 50	325 00
Realisation of Assets	0 60	0 00	0 00	0 00	0 60	195 00	325 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours	8 00	0 00	0 00	10 25	18 25	4,368 25	239 25
Total Fees Claimed						0 00	
Total Disbursements Claimed						0 00	

DFW Associates Charging Policy

Introduction

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

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

Office Holder's Fees in Respect of the Administration of the insolvent estate.

The office holder will delegate tasks to colleagues. Such delegation assists the office holder as it allows him/her to deal with the more difficult aspects of the case and ensures that work is allocated and completed at the appropriate level. There are various staff that are employed by the office holder and these appear below.

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

Expenses Incurred By Office Holder In Respect Of the Administration of Insolvent Estates

Best practice guidance classifies expenses into two broad categories.

- Category 1 disbursements (approval not required) – specific expenditure that is directly related to the case usually outsourced to a third party. Once these items of expenditure are incurred they are immediately charged to the case.
- Category 2 disbursements (approval required) – items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

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

- Car Mileage is charged at a rate of 45p per mile
- Storage of books and records (when not chargeable as a category 1 disbursement)
- Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the 2 categories referred to above best practice guidance indicates that where payments are made to outside parties in which the office holder or his firm or any associate has an interest these should be treated as category 2 disbursements.

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

- Telephone and facsimile
- Printing and photocopying
- Stationery

DFW Charge-out Rates

Time is recorded in 6 minute units

Principal Associate	325
Senior Associate	185
Junior	145