

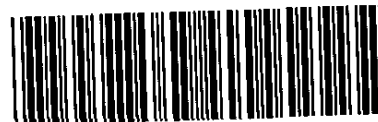
# LIQ03

## Notice of progress report in voluntary winding up



Companies House

SATURDAY



A31 \*A7EZNV4X\* 22/09/2018 #13  
COMPANIES HOUSE

### 1 Company details

Company number 08086051

Company name in full THE MIRACLE CHAIR COMPANY LIMITED

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

### 2 Liquidator's name

Full forename(s) DAVID FREDERICK

Surname WILSON

### 3 Liquidator's address

Building name/number 2A

Street PARK SQUARE WEST

Post town LEEDS

County/Region WEST YORKSHIRE

Postcode LS1 2PQ

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 ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② 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	<sup>d</sup> 2	<sup>d</sup> 6	<sup>m</sup> 0	<sup>m</sup> 5	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 7
To date	<sup>d</sup> 2	<sup>d</sup> 5	<sup>m</sup> 0	<sup>m</sup> 5	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8

**7** Progress report

☒ The progress report is attached

**8** Sign and date

Liquidator's signature

Signature

X



X

Signature date

<sup>d</sup> 2	<sup>d</sup> 0	<sup>m</sup> 0	<sup>m</sup> 7	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8
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**The affairs, business and property of the company are being dealt with by the Liquidator, who acts as the Company's agent and without personal liability.**

Liquidator's Annual Report to Members and Creditors

## **The Miracle Chair Company Limited – In Liquidation (“The Company”)**

For the period to 26<sup>th</sup> May 2017 to 25<sup>th</sup> May 2018

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

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## APPENDICES

1. Appendix 1 – Receipts and Payments Account for the period 26<sup>th</sup> May 2017 to 25<sup>th</sup> May 2018
2. Appendix 2 – Details of the Time Incurred in accordance with Statement of Insolvency Practice 9 for the period 26<sup>th</sup> May 2017 to 25<sup>th</sup> May 2018
3. Appendix 3 - DFW Charging Policy
4. Appendix 4 – Creditor Claim Form
5. Appendix 5 - Details of creditors' rights (Rules 18.9 and 18.34) are attached at Appendix 5

## ABBREVIATIONS

"The Act"	Insolvency Act 1986 (as amended)
"The Rules"	Insolvency (England & Wales) Rules 2016
"The Liquidator"	David Frederick Wilson
"Date of Appointment"	26 <sup>th</sup> May 2016
"Period of this Report"	26 <sup>th</sup> May 2016 to 25 <sup>th</sup> May 2017
"Office"	29 Park Square West, Leeds, LS1 2PQ

### 1. STATUTORY INFORMATION

Company Number:	08086051
Date of Incorporation:	28 <sup>th</sup> May 2012
Principal Activity:	32990 – Other Manufacturing not elsewhere classified 74100 – Specialised Design Activities
Previous Name:	None
Trading Name:	The Miracle Chair Company
Registered Office:	29 Park Square West , Leeds, LS1 2PQ
Previous Registered Office:	8 St John Street, Manchester, M3 4DU

Trading Address:

8 St John Street, Manchester, M3 4DU

Mortgage & Charges:

Hugh Alexander Briggs held security by way of a  
Debenture dated 4<sup>th</sup> July 2014 (filed on 23<sup>rd</sup> July 2014)

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

## 2. INTRODUCTION

In accordance with the Proposals approved by creditors in the prior administration I was appointed as Liquidator of the Company on 26<sup>th</sup> May 2016. My appointment took effect upon the cessation of my appointment as Administrator and the registration of Form 2.34B – Notice of Move from Administration to Creditors' Voluntary Liquidation at Companies House. I confirm that I am licensed to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales. There has been no change in office-holder, or my contact details, since the date of Liquidation.

This report has been prepared in accordance with the requirements of Section 104a of the Insolvency Act 1986 and Rule 18.7 of the Insolvency (England & Wales) Rules 2016 to provide members and creditors with a report on the progress of the of the Liquidation and I am obliged to deliver a copy of this report to them. A copy of this report will also be filed with the Registrar of Companies.

This account includes details of matters arising in the Liquidation for the period 26<sup>th</sup> May 2016 to 25<sup>th</sup> May 2017 and summarises the key issues that arose during the period.

### Case Strategy

My overall strategy for the Liquidation was and remains to realise the Company's assets as expeditiously as possible. As explained below, recoveries are continuing however they are finite in quantum.

It is now clear, all assets having been realised or quantified, that there will be no dividend for non-preferential creditors. Formal Notice to this effect is given later in this report.

I have been assisted in the performance of my duties by a Case Administrator who have the day to day conduct of the Liquidation and who helped me to ensure that work done was carried out at the appropriate grade, having regard to its complexity. I have not used any sub-contractors or professional advisers during this Liquidation. There has been no change to my strategy for the conduct of this case since my appointment.

## 3. PROGRESS DURING THE PERIOD

### Receipts and Payments during the Period

#### Receipts

##### *Bank Interest Gross*

Bank interest of £9.52 has been received in the period of this report and represents the interest paid on the funds held in the Liquidator's account.

#### Payments

The only payment during the period has been office holder's fees of £1,000, further details of which can be found in section 6 of this report.

#### **4. OUTCOME FOR CREDITORS**

##### **Secured Creditors**

As detailed in the Administration, Mr Hugh Alexander Briggs held security by way of a Debenture dated 4<sup>th</sup> July 2014 (filed on 23<sup>rd</sup> July 2014), granting a fixed and floating charge over the undertaking and all property and assets, present and future, including goodwill, book debts, uncalled capital, buildings, fixtures and fixed plant and machinery. The amount outstanding at the date of Administration was approximately £250,000.

I anticipate that there will be a distribution to the secured creditor, however they will suffer a substantial shortfall under the terms of their security. The quantum and timing of this distribution is yet to be confirmed.

##### **Preferential Creditors**

There are no creditors of this classification.

##### **Unsecured Creditors**

The estimated statement of affairs in the Administration, estimated total unsecured debts of £860,473.24. To date, unsecured claims of £77,172.59 have been received.

A claim form is attached at Appendix 4, for creditors who have not yet submitted a claim to complete and return with supporting evidence.

Any surplus funds will be used to distribute to the Charge holder as detailed above and the balance of funds will be utilised to defray the expenses of the Liquidation. As a result, there will be no distribution to unsecured creditors in this instance. This note is pursuant to Rule 14.37 of the Insolvency (England & Wales) Rules 2016.

##### **Prescribed part for unsecured creditors pursuant to Section 176a of the Act**

Section 176a of the Insolvency Act 1986 provides that, where the company has created a floating charge on or after 15 September 2003, the Liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts.

The prescribed part disappplies in this instance as there are insufficient realisations.

#### **5. THE LIQUIDATOR'S REMUNERATION, DISBURSEMENTS & EXPENSES**

##### **Remuneration**

Rule 18.20(5a) of the Insolvency (England & Wales) Rules 2016 states that where a Company which is in Administration moves into Liquidation and the former Administrators become the Liquidator, the basis of the office holders' remuneration fixed in the Administration also applies in the subsequent Liquidation. Accordingly, the basis of the Liquidator's remuneration (as approved the charge holder in the Administration) will be payable by reference to time properly given by the Liquidator and his staff in attending to matters arising in the Liquidation. The charge holder has also confirmed that he is authorised to draw disbursements, including disbursements for services provided by his firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9) in accordance with his firm's charging policy (attached at Appendix 3 of this report).

DFW Associates standard charging rates have changed during the conduct of the Liquidation, as follows:-

<b>Staff Grade</b>	<b>Charge Out Rates – 1<sup>st</sup> May 2016</b>	<b>Charge Out Rates - 1<sup>st</sup> October 2013</b>
Principal	375	325
Associate		
Senior Associate	220	185
Junior Associate	180	145

Briefly:-

- Work done in realising the assets of the Company was in the direct financial interests of the creditors
- Work done in performing investigations was a statutory requirement but would also have been in the direct financial interests of creditors had it led to additional asset realisations
- All other work is required by statute or professional regulations

Time costs amounting to £1,762.50 have been incurred in the period of this report made up of 8.80 hours at an average charge out rate of £204.94 across all grades of staff. More detailed information is provided in the Appendix 2. Time is charged in 6 minute increments.

Liquidator's fees of £1,000 have been drawn in the period of this report detailed in the receipts and payments account attached at Appendix 1.

The following further information in relation to the Liquidator's time costs is enclosed with this report:

- Appendix 2 - Table of time spend and charge-out value for the period 26<sup>th</sup> May 2016 to 25<sup>th</sup> April 2017;
- Appendix 3 - DFW Associates charging policy for disbursements; and
- Appendix 5 – Details of creditors' rights: (Creditors' and members' requests for further information and details of remuneration and expenses: application to court by a creditor or members on grounds that remuneration or expenses are excessive in accordance with Rule 18.9 and 18.34 of the Insolvency (England & Wales) Rules 2016).

Please note an explanatory leaflet "A Creditor's Guide to Liquidator's Remuneration", is also available on request from my office.

#### **Disbursements & Expenses**

There have been no category 1 or category 2 disbursements paid during the period. No further professional expenses or disbursements have been incurred during the period of this report.

### **6. INVESTIGATIONS INTO THE AFFAIRS OF THE COMPANY**

The Liquidator has a statutory duty to investigate the conduct of the Directors and any person he considers to be or have been a shadow or de facto Director during the period of three years before the date of his appointment, in relation to their management of the affairs of the company and the causes of its failure.

My preliminary investigations revealed no matters that it was in the interests of creditors for me to investigate in depth and no matters came to light subsequently during the Liquidation.

The Liquidator is also obliged to submit confidential reports to the Department for Business Innovation and Skills. I can confirm that I have discharged my duties in this regard.

### **7. BENEFITS FOR CREDITORS**

I expect there to be a dividend distribution to the secured creditor, the quantum and timing of this distribution is yet to be confirmed.

Whilst there has been and will be no distribution available for any other class of creditor, creditors can be assured that the conduct of the Directors has been investigated.

### **8. MATTERS OUTSTANDING**

I am yet to make a distribution to the secured creditor. Once I have made this payment, I will be in a position to close the Liquidation.

## 9. CONCLUSION

The Liquidator is required to provide a progress report within two months of the end of the next anniversary of the Liquidation or at the conclusion of the Liquidation, whichever is sooner. Should you have any further queries please contact my office in writing or by telephone to 0113 390 7940, alternatively direct any emails to [info@dfwassociates.co.uk](mailto:info@dfwassociates.co.uk).

A handwritten signature in black ink, appearing to read 'David Frederick Wilson', with a long horizontal stroke extending to the right.

Dated: 20<sup>th</sup> July 2018

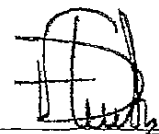
**David Frederick Wilson**  
**Liquidator of The Miracle Chair Company Limited**



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

**LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT**

	Statement of affairs £	From 26/05/2017 To 25/05/2018 £	From 26/05/2016 To 25/05/2018 £
<b>RECEIPTS</b>			
Surplus from Administration		0.00	13,363.42
Bank Interest Gross		9.52	17.56
		<u>9.52</u>	<u>13,380.98</u>
<b>PAYMENTS</b>			
Administrators Fees		0.00	2,450.00
Office Holders Fees		1,000.00	2,500.00
Office Holders Expenses		0.00	137.00
Vat Receivable		200.00	200.00
		<u>1,200.00</u>	<u>5,287.00</u>
<b>BALANCE - 25 May 2018</b>			<u><u>8,093.98</u></u>



David Frederick Wilson

# Time Entry - SIP9 Time & Cost Summary

CVL0060 - The Miracle Chair Company Limited  
Project Code: POST  
From: 26/05/2017 To: 25/05/2018

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	0.60	0.00	0.00	5.40	6.00	1,197.00	199.50
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.30	0.00	0.00	2.10	2.40	490.50	204.37
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.20	0.00	0.00	0.00	0.20	75.00	375.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	1.10	0.00	0.00	7.50	8.60	1,762.50	204.94

## EXTRACT FROM THE INSOLVENCY RULES (ENGLAND AND WALES) 2016

### Creditors' and members' requests for further information in administration, winding up and bankruptcy

#### Rule 18.9

(1) The following may make a written request to the office-holder for further information about remuneration or expenses (*other than pre-administration costs in an administration*) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14—

- (a) a secured creditor;
- (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
- (c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
- (d) any unsecured creditor with the permission of the court; or
- (e) any member of the company in a members' voluntary winding up with the permission of the court.

(2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.

(3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by—

- (a) providing all of the information requested;
- (b) providing some of the information requested; or
- (c) declining to provide the information requested.

(4) The office-holder may respond by providing only some of the information requested or decline to provide the information if—

- (a) the time or cost of preparation of the information would be excessive; or
- (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
- (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
- (d) the office-holder is subject to an obligation of confidentiality in relation to the information.

(5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.

(6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of—

- (a) the office-holder giving reasons for not providing all of the information requested; or
- (b) the expiry of the 14 days within which an office-holder must respond to a request.

(7) The court may make such order as it thinks just on an application under paragraph (6).

## **EXTRACT FROM THE INSOLVENCY RULES (ENGLAND AND WALES) 2016**

### **Remuneration and expenses: application to court by a creditor or member on grounds that remuneration or expenses are excessive**

#### **Rule 18.34**

(1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that—

- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
- (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
- (c) the expenses incurred by the office-holder are in all the circumstances excessive.

(2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable—

(a) a secured creditor,

(b) an unsecured creditor with either—

- (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
- (ii) the permission of the court, or

(c) in a members' voluntary winding up—

- (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
- (ii) a member of the company with the permission of the court.

(3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

## **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 Rate**

Time is recorded in 6 minute units.

Principal Associate	375
Senior Associate	220
Junior	180