

In accordance with Rule 18.7 of the Insolvency (England & Wales) Rules 2016 and Sections 92A, 104A and 192 of the Insolvency Act 1986.

LIQ03

Notice of progress report in voluntary winding up



Companies House

MONDAY



A28 *A7LH4602* 24/12/2018 #145
COMPANIES HOUSE

1 Company details

Company number	0	2	9	9	1	7	7	4
Company name in full	BOTES INTERIORS LIMITED							

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

2 Liquidator's name

Full forename(s)	Edwin D S
Surname	Kirker

3 Liquidator's address

Building name/number	Kirker & Co
Street	Centre 645 2 Old Brompton Road
Post town	London
County/Region	
Postcode	S W 7 3 D Q
Country	

4 Liquidator's name Ⓢ

Full forename(s)	
Surname	

Ⓢ **Other liquidator**
Use this section to tell us about another liquidator.

5 Liquidator's address Ⓢ

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

Ⓢ **Other liquidator**
Use this section to tell us about another liquidator.

LIQ03
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6 Period of progress report

From date	d	2	d	4	m	1	m	0	y	2	y	0	y	1	y	7
To date	d	2	d	3	m	1	m	0	y	2	y	0	y	1	y	8

7 Progress report

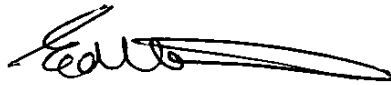
The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

d	2	d	0	m	1	m	2	y	2	y	0	y	1	y	8
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BOTES INTERIORS LIMITED

(In Creditors' Voluntary Liquidation)

LIQUIDATOR'S ANNUAL PROGRESS REPORT

TO MEMBERS AND CREDITORS

24 OCTOBER 2018

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1. INTRODUCTION

- 1.1. As previously advised, I was appointed Liquidator of the Company on 24 October 2016 when the Company moved from Administration to Creditor's Voluntary Liquidation. I had previously acted as the sole Administrator, having been appointed by the directors on 5 October 2015.
- 1.2. As Liquidator, I am pleased to present my Annual Report under s.104A of the Insolvency Act 1986 and Rule 18.7 of the Insolvency Rules 2016 for the period 24 October 2017 to 23 October 2018.
- 1.3. Given the information previously provided to creditors, I have not included detailed background information in respect of the Company and focus instead on the progress of the Liquidation since my appointment. If necessary, this report should be read in conjunction with the Administrator's Proposals of 28 November 2015 and the Administrator's Final Progress Report to Creditors of 4 October 2016.
- 1.4. For the purposes of s.231 of the Insolvency Act 1986, I confirm that I am authorised to carry out all of the functions, duties and powers required under the Act.
- 1.5. Statutory information for the Company appears at Appendix 1.

2. RECEIPTS AND PAYMENTS ACCOUNT

- 2.1. A Receipts & Payments Account for the period 24 October 2016 to 23 October 2018 appears together with an Estimated Outcome Statement in Appendix 2. I am holding £244,223 in the liquidation bank account. Further details appear hereunder.

2.2. Receipts

Cash of £58,778 was transferred from the Administration bank account. There is a VAT refund due for the Administration of £6,615, which will be offset against the liability in respect of the liquidation.

With the exception of one contract debt amounting to approximately £35,000, all debts carried over from the Administration have been collected. Total debt collections currently stand at £288,169 in the liquidation and a further £172,000 during administration, giving a total of just over £460,000.

Bank interest earned in the last twelve months amounted to £732 bringing the total to date to £755.

2.3. Payments

Administrator's Fees

I did not draw any fees as Administrator during the Administration as I wished to preserve funds for legal actions that could have been required to recover debts. With only one debt left to collect, I had drawn £25,000 at the date of my last report. The outstanding balance has been drawn in this period and there are no further Administration expenses outstanding.

Liquidator's Fees

I have not drawn any fees as yet as Liquidator. Unfortunately, the response from creditors to a request for details of their claims has proved disappointing and the time costs of dealing with claims are therefore higher than expected. For the moment, I have provided £25,000 for Liquidator's fees.

3. POTENTIAL REALISATIONS

- 3.1. As advised above, with the exception of one debt, all realisable assets have been collected and no further realisations are expected. The debt amounts to approximately £35,000 and negotiations to reach a settlement have proved fruitless. Legal proceedings will be issued shortly. Subject to the debt being collected, total realisations in the liquidation are expected to be in the order of £488,000.
- 3.2. The estimated further costs of the liquidation appear in the Estimated Outcome Statement in **Appendix II** and are self-explanatory, being the commission due to the contract debt consultant; document storage; potential legal fees; and the estimated Liquidator's fees for distributing a dividend and closing the liquidation.
- 3.3. Liquidator's remuneration is dealt in further detail in the section below and an analysis appears in **Appendix III**.

4. OUTCOME FOR CREDITORS

- 4.1. Barclays Bank held a fixed and floating charge over the assets but they were not owed anything at the date of Administration. I am not aware of any other secured creditors in the Administration and none are expected.
- 4.2. Preferential claims are limited to arrears of pay and holiday pay outstanding to former employees. The employees were paid up to the date of Administration and preferential claims were limited to holiday pay. Claims were submitted to the Redundancy Payments Service (RPS) and they have confirmed total claims of £3,446, which is slightly less than previously provided.
- 4.3. Claims for pay in lieu of notice and redundancy rank as unsecured claims in the Administration. Given that the company had been trading for 13 years and most of the employees were long-serving, the entitlements were expected to be substantial. In the event, the RPS has confirmed a claim of £45,125 as compared to the £50,000 previously provided.
- 4.4. Trade creditors were estimated in the Statement of Affairs at £896,064. There is also £11,965 owing to HMRC for PAYE. There could be a VAT refund due to the company but this will be offset against other Crown debts. Total unsecured claims are now expected to be in the region of £953,000.
- 4.5. Some creditors may disagree with the amounts in the Company's books and I expect the total to change, as claims are reconciled. However, on the basis that total claims remain at or around the current level, and that realisations are in line with expectations, there could be a dividend of around 18 pence in the £ for creditors after the costs and expenses of the liquidation are taken into account.
- 4.6. Once the total realisations are known, it will take six to nine months to complete the statutory formalities and agree claims, after which the dividend will be distributed. Meanwhile, any creditor who has not yet claimed VAT Bad Debt Relief on their claim should do so, as this effectively increases the total expected recovery to around 38p in the £.

5. INVESTIGATIONS

- 5.1. The Directors' Conduct Report was submitted to the Department of Business, Innovation and Skills during the Administration. This report is not on the public record and therefore I am unable to comment further.

6. LIQUIDATOR'S REMUNERATION

- 6.1. The creditors meeting in December 2015 agreed that in accordance with Rule 2.106 of the Insolvency (Amendment) Rules 2003, my remuneration should be fixed by reference to the time properly spent by me and my staff in attending to matters arising in the Administration and subsequent Liquidation.
- 6.2. At the date of my last Annual report, time costs in the liquidation amounted to £15,930 plus VAT for 54 hours of time spent. This was broken down as to 28 hours on reviewing and negotiating on contract debts; 18 hours dealing with creditors; and 8 hours writing and distributing the Annual Report.
- 6.3. In the period covered by this report, I have spent a further 19 hours on reviewing the documentation relating to the outstanding book debt and attempting to negotiate a settlement. This brings the total time spent to 73 hours at a cost of £21,535. (**Appendix III**).
- 6.4. Due to the large number of creditors that have yet to respond to my requests for details of their claims, I estimate that agreeing claims; distributing the preferential and unsecured dividends; and closing the liquidation could incur further costs of up to £10,000. Total fees for the liquidation will therefore be in the order of £25,000. However, this could rise if the difficulties encountered to date continue.
- 6.5. Those creditors who have not already done so are therefore urged to provide details of their claims as soon as possible.

7. FURTHER INFORMATION

- 7.1. Should you have any queries in respect of the Liquidation, please do not hesitate to contact me.

Yours faithfully



Edwin Kirker
Liquidator

[The Liquidator and his staff act as agents of the Company and without personal liability at all times]
[Edwin Kirker is licensed by the Institute of Chartered Accountants in Ireland, office holder 8227]

APPENDIX I

STATUTORY INFORMATION

Company Name: Botes Interiors Limited
Previous Names: Newco Limited (to 23/01/2003)
Company Number: 02991774
Date of Incorporation: 18 November 1994
Trading Address: Unit 12, 37 Tanner Street
London SE1 3LF
Registered Office: c/o Kirker & Co
Centre 645, 2 Old Brompton Road
London. SW7 3DQ
Previous Registered Office: Unit 12, 37 Tanner Street
London SE1 3LF
Principal Activity: Interior Fit-Outs.

Directors and Shareholders

Company Directors: Simon Botes
Company Secretary: Paul Fletcher
Shareholders: Simon Botes – 100%

Summary of charges

Description	Person entitled	Created	Registered
Fixed and Floating Charge	Barclays Bank	4 March 2003	10 March 2003
Rent Deposit Deed	Bridge Start Properties Limited	4 June 1998	6 June 1998

APPENDIX II

**BOTES INTERIORS LIMITED (IN LIQUIDATION)
ESTIMATED OUTCOME AND RECEIPTS & PAYMENTS ACCOUNT
AS AT 24 OCTOBER 2018**

	Receipts & Payments to Date £	To be Realised £	Total Realisations Expected £
Receipts			
Cash from Administration	58,778	0	58,778
VAT Recoverable - Administration	0	6,615	6,615
Contract Debtors and Retentions	288,169	35,000	323,169
Bank Interest	755	0	755
	<u>347,702</u>	<u>41,615</u>	<u>389,317</u>
Payments			
Contract Snagging & Rectification	1,882	0	1,882
Contract Debt Consultant Fees	31,170	0	31,170
Debt Collection Commission (5%)	0	24,800	24,800
Legal Fees - Debt Collection	12,520	10,000	22,520
Statutory Advertising & Bonding	2,700	0	2,700
Utilities, Telephones & IT	70	0	70
Administrator's Fees	95,000	0	95,000
Liquidation Expenses	313	4,687	5,000
Liquidator's Fees	0	25,000	25,000
VAT Payable - Liquidation	(40,176)	40,176	0
	<u>103,479</u>	<u>104,663</u>	<u>208,142</u>
Net Realisations	244,223	(63,048)	181,175
Preferential Creditors - Arrears of Pay & Hol Pay	0	3,446	3,446
Surplus as regards Preferential Creditors	<u>244,223</u>	<u>(66,494)</u>	<u>177,729</u>
Unsecured Creditors:			
Trade & Expense Creditors	0	896,064	896,064
Employees - Bal of Arrears, Hol. Pay, PLN & Redundancy	0	45,125	45,125
HMRC - VAT	0	0	0
HMRC - PAYE	0	11,965	11,965
	<u>0</u>	<u>953,154</u>	<u>953,154</u>
Surplus/(Deficit) as regards Preferential & Unsecured Creditors	<u><u>244,223</u></u>	<u><u>(1,019,648)</u></u>	<u><u>(775,425)</u></u>
Estimated Dividend for Unsecured Creditors - Pence in the £.			<u><u>18.65</u></u>

APPENDIX III

ANALYSIS OF TIME COSTS

1. Overview of Case

1.1. Appointment

The Liquidator was appointed on 24 October 2016 when the company moved from Administration to Creditor's Voluntary Liquidation.

1.2. Strategy

Please see main body of the report.

1.3. Staffing

Staff have been used on the assignment based upon previous knowledge and experience.

1.4. Existing fee arrangements

The proposal to charge fees on a time cost basis was approved at the meeting of creditors on 11 December 2015.

1.5. Anticipated return to creditors

It is anticipated that preferential creditors will be paid in full. There may be a dividend for unsecured creditors after the costs and expenses of Liquidation.

2. Explanation of office-holders charging and disbursement recovery policies

2.1. Time recording

Time properly incurred on cases is charged to the assignment at the hourly rate prevailing at the time. The current hourly charge out rates, covering the whole period, are outlined below:

	£
Partner	295
Manager	195
Assistant	125

2.2. Disbursements recovery

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as travelling (45p/£) and bonding (at cost). General overheads such as general print, post and stationery (Category 2 disbursements) are included in the charge-out rates and are not recharged.

3. Description of work carried out

Section 4 of this appendix outlines the time costs to date in relation to activities undertaken during this matter. These matters can be summarised as follows:

3.1. Pre-appointment

Time spent in this category comprises the activities required to place the Company into liquidation.

3.2. Administration and planning

The following activities have been undertaken:

- Statutory duties associated with the appointment including the filing of relevant notices
- Notification of the appointment to creditors, members, employees and other interested parties
- Setting up case files
- Reviewing available information to determine appropriate strategy, and

- Setting up and maintaining bank accounts.

3.3. **Realisation of assets**

Please see the main body of the report for details on the assets realised.

3.4. **Creditors**

The time spent includes the following matters:

- Correspondence with creditors
- Recording and maintaining the list of creditors
- Dealing with employee related matters
- Recording creditor claims
- Dealing with creditor queries, and
- Reviewing and evaluating creditor claims.

4. **Time and Charge-out Summary**

A total of 73 hours have been spent to 23 October 2018 at an average charge out rate of £295 per hour, bringing the total cost to date to £21,535:

Classification of work function	Partner Hours (£295 per hr)	Manager Hours (£195 per hr)	Assistant Hours (£125 per hr)		Total Hours	Time Cost £	Average hourly rate £
Administration and planning	8	0	0		8	2360	295.00
Investigations	0	0	0		0	0	0
Realisation of assets	47	0	0		47	13865	295.00
Trading	0	0	0		0	0	0
Creditors & Employees	18	0	0		18	5310	295.00
Case specific matters (Specify)	0	0	0		0	0	0
Total hours	73	0	0		73		
Total fees claimed (£)	21535	0	0			21535	

The above costs exclude VAT.

5. **Disbursements**

The expenses appearing in the Receipts & Payments Account are self-explanatory. As noted above, we do not recharge Category 2 disbursements.

6. **Supporting documentation**

An Estimated Outcome Statement incorporating a Receipts and Payments account to 23 October 2018 appears in Appendix II of this report.

7. **Creditors' Right to Request Information**

Any secured creditor, or unsecured creditor with the support of at least 5% in value of the unsecured creditors (including himself) or, with permission of the Court, may in request the Liquidator to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made in writing within 21 days of receipt of this report as required by Rule 18.9 of the Insolvency Rules 2016.

8. **Creditors' Right to Challenge Remuneration and/or Expenses**

Any secured creditors, 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 Rule 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 report detailing the remuneration and/or expenses being complained of, in accordance with Rules 18.3 or 18.14 of the Rules.

Challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.