

The Insolvency Act 1986

Liquidator's Progress Report

S. 192

Pursuant to Sections 92A and 104A of the Insolvency Act 1986

To the Registrar of Companies

For official use

Company Number

00468652

Name of Company

(a) Insert full name of company

(a) HARRY KINDRED (NEWCASTLE) Limited

(b) Insert full name(s) and address(es)

We (b) LINDA FARISH AND ANTHONY JOSEAS
RMT, COSFORTH PARK AVENUE, NEWCASTLE UPON
TYNE, NE12 8EQ

the liquidator(s) of the company attach a copy of my/our Progress Report under section 192 of the Insolvency Act 1986

Signed

[Handwritten signature]

Date

5/8/11

Presenter's name, address and reference (if any)

MONDAY
A49 08/08/2011 59
ALRMJW15
COMPANIES HOUSE



real people account for more
ACCOUNTANTS + BUSINESS ADVISORS

Our reference AAJ LAF LH7600 JAH

5 August 2011

TO ALL KNOWN CREDITORS

Dear Sirs

Harry Kindred (Newcastle) Limited In Liquidation

This is my report to members and creditors following the end of the first year of the liquidation
My report follows and should be read in conjunction with my report of 15 July 2010

If members or creditors have any queries regarding this report or the conduct of the liquidation in
general, they should You should email Josephine Humphreys at Josephine.humphreys@r-m-t.co.uk
or call 0191 256 9500

Yours faithfully

**L A Farish
Joint Liquidator**

Gosforth Park Avenue
Newcastle upon Tyne
NE12 8EG

A A Josephs and L A Fansh are licensed to act as Insolvency Practitioners by the Association of Chartered Certified Accountants

Tel 0191 256 9500
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advice@r-m-t.co.uk
www.r-m-t.co.uk

Harry Kindred (Newcastle) Limited In Liquidation

REPORT TO CREDITORS

1 Introduction

- 1 1 I was appointed as Joint Liquidator of Harry Kindred (Newcastle) Limited on 15 July 2010, together with Anthony Alan Josephs. Our appointment being confirmed at a meeting of creditors held later that day.
- 1 2 I detail below a brief summary of the conduct of the liquidation to date which should be read in conjunction with my previous report dated 15 July 2010.
- 1 3 Attached at Appendix 1 is the Statutory information in relation to the company.

2 Receipts & Payments Account

- 2 1 Attached to this report is a receipts and payments account for the period for the first year of the liquidation from 15 July 2010 to 14 July 2011.

3 Assets

3 1 Book Debts

Book debts were estimated to realise £20,000. As stated on the Statement of Affairs, this amount was established from debts and retentions outstanding at the date of administrative receivership less any realisations made by the Receivers to date. The amount was also written down to reflect potential counter claims and contras. The Liquidators have instructed a firm of quantity surveyors to investigate and assist with collection of the debts. To date no realisations have been made from book debts and whilst the quantity surveyors are continuing to pursue for payment, recoveries are unlikely.

3 2 Inter-Company Debt

The amount of £48,102 shown on the Statement of Affairs was an anticipated dividend expected on the net amount of £96,204 owed to the company by its subsidiary, Realisations WECC Limited (formerly West End Cabinet Company Limited) ("WECC") which is in liquidation.

The Liquidators have advised that all creditors' claims are agreed and they estimate a dividend payable of approximately 70p in the £. However this is dependant upon the outcome of a tax issue which needs to be resolved prior to distribution. The Liquidators anticipate the issue to be resolved and the dividend paid within the next 2-3 months.

3 3 Investment in Subsidiary Undertaking

As you are aware, this relates to shares held in the above subsidiary, West End Cabinet Company Limited. Due to the liquidation, there will be no return on this investment. Accordingly the realisable value was shown on the Statement of Affairs as £0.

3 4 Receivership Surplus

The Statement of Affairs showed an amount of £30,000 anticipated surplus to be forwarded by the Receivers. A first amount was received in September 2010 with the balance being received in February 2011. A total of £28,359.03 has now been paid by the Receivers.

The Administrative Receivers received their release on 23 March 2011.

4 "Prescribed Part"

4 1 The provisions of Section 176A of the Insolvency Act 1986 do not apply in this case.

LIABILITIES & DIVIDEND PROSPECTS

5 Preferential Creditors

5 1 The Company's preferential creditors have been paid in full by the Administrative Receivers.

6 Crown Creditors

6 1 The statement of affairs included £198,571.05 owed to HMRC incorporating £57,105.72 due in VAT and £141,465.33 due in respect of PAYE and NIC. The final claim in respect of PAYE and NIC is still awaited.

HMRC's final claim in respect of VAT has been received, as expected, in the sum of 57,105.72.

7 Unsecured Creditors

7 1 The Statement of Affairs included 393 creditors totalling £2,280,608. I have received 46 claims from creditors totalling £1,075,322.27. 347 creditors have yet to submit claims. I have attached a further Proof of Debt to this report for creditors who have not yet submitted their claims.

8 Dividend Prospects

8 1 There may be sufficient funds with which to pay a small dividend to unsecured creditors, however, this is dependent upon the level of dividend received from the WECC liquidation and also whether any realisations are made from book debts and retentions.

9 Investigation into the Affairs of the Company

9 1 Within six months of my appointment as liquidator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present director would make him unfit to be concerned with the management of the company. I would confirm that my report has been submitted and there are no issues which would affect recoverability for the benefit of the creditors.

10 Liquidators' Remuneration

10 1 At meetings of the board and the members and creditors held on 17 June 2010 and 15 July 2010 respectively, my costs in relation to the summoning of those meetings, together with

the preparation of the statement of affairs and all associated requirements were approved on a time cost basis. While estimated at £11,053.75 at the time of those meetings our actual costs drawn were £12,722.50

10.2 At the meeting of creditors held on 15 July 2010, it was agreed that the Joint Liquidators' remuneration would be based on time costs with the Liquidators drawing funds on account of those time costs as appropriate

10.3 Our time costs to date are £23,014.75 as scheduled on the enclosed summary of time costs, of which £Nil has been drawn on account

At Appendix II is a copy of the Practice Fee Recovery for RMT which provides further information to creditors with regard to my remuneration

10.4 In addition to the general costs set out in Appendix II our expenses to 5 August 2011 amount to £506.80 which have been drawn

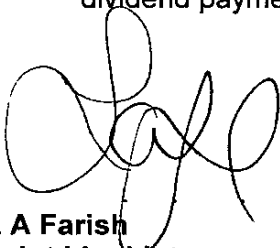
The following agents or professional advisors have been utilised in this matter

Professional Advisor	Nature of Work	Fee Arrangement
Hay & Kilner	Solicitors	Time Cost
Baker Mallett	Quantity Surveyors	Time Cost

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case

11 Conclusion

11.1 Once the dividend in relation to WECC has been received, together with any realisations in relation to book debt contracts currently being investigated, it is my intention to make dividend payments and bring my administration of this case to a close



L A Farish
Joint Liquidator

Harry Kindred (Newcastle) Limited In Liquidation

**Liquidator's Annual Report to Members and Creditors
For the year ending 14 July 2011**

STATUTORY INFORMATION

Company name:

Harry Kindred (Newcastle) Limited

Registered office:

RMT, Gosforth Park Avenue, Newcastle upon Tyne, NE12 8EG

Former registered office:

Gainsborough House, 34-40 Grey Street, Newcastle upon Tyne, NE1 6AE

Registered number:

00468652

Liquidators' names:

Anthony Joseph & Linda Fansh

Liquidators' address:

RMT, Gosforth Park Avenue, Newcastle upon Tyne, NE12 8EG

Liquidators' date of appointment:

15 July 2010

Receipts and Payments Abstract: LH7600 - Harry Kindred (Newcastle) Limited In Liquidation

Bank, Cash and Cash Investment Accounts: From: 15/07/2010 To: 14/07/2011

SOA Value £	15/07/2010 to 14/07/2011		Total to 14/07/2011	
	£	£	£	£
ASSET REALISATIONS				
0 00	Bank Interest Gross	2 99		2 99
20,000 00	Debtors (Pre-Appointment)	0 00		0 00
48,102 00	Inter-Company Debt	0 00		0 00
30,000 00	Receivership Surplus	<u>28,359 03</u>		<u>28,359 03</u>
			28,362 02	<u>28,362 02</u>
COST OF REALISATIONS				
0 00	Company Search	(4 00)		(4 00)
0 00	Legal Fees	(4,000 00)		(4,000 00)
0 00	Preparation of Statement of Affairs	(12,722 50)		(12,722 50)
0 00	Professional's Fees	(1,292 44)		(1,292 44)
0 00	Specific Bond	(276 00)		(276 00)
0 00	Statutory Advertising	(226 80)		(226 80)
0 00	Storage Costs	<u>(397 37)</u>		<u>(397 37)</u>
			(18,919 11)	<u>(18,919 11)</u>
UNSECURED CREDITORS				
(65,000 00)	Associated Creditors	0 00		0 00
(304,736 73)	Department of Employment	0 00		0 00
(81,820 12)	Employees	0 00		0 00
(198,571 05)	HM Revenue and Customs	0 00		0 00
(1,630,480 55)	Trade and Expense Creditors	<u>0 00</u>		<u>0 00</u>
			0 00	<u>0 00</u>
EQUITY				
(15,000 00)	Ordinary	<u>0 00</u>		<u>0 00</u>
			0 00	<u>0 00</u>
<u>(2,197,506 45)</u>			<u>9,442 91</u>	<u>9,442 91</u>
REPRESENTED BY				
	Cash at Bank		8,568 66	
	Unclaimed Dividend Reserve		25 00	
	VAT Receivable (Payable)		<u>849 25</u>	
				<u>9,442 91</u>
				<u>9,442 91</u>

RMT

TIME & CHARGEOUT SUMMARIES

Harry Kindred (Newcastle) Limited

To 05/08/2011

HOURS

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	0 20	8 10	19 00	30 10	62 10	8,977.00	144 56
Investigations	0 00	0 60	1 00	0 00	2 10	413 00	196 67
Realisation of Assets	3 40	31 40	1 40	3 10	40 55	8,910 75	219 75
Trading	1 80	0 00	0 00	0 00	1 80	513 00	285 00
Creditors	1 00	2 20	15 70	8 60	28 50	4,201 00	147 40
Preferential Creditors	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Fees Claimed £	1,824 00	9,732 00	5,573 00	4,049 50		23,014 75	
Total Hours	6 40	42 30	37 10	41 80	135 05		
Average Rate	285 00	230 07	150 22	96 88			

PRACTICE FEE RECOVERY POLICY FOR RMT**Introduction**

The insolvency legislation was changed in April 2010 for insolvency appointments commenced from that time in order to allow more flexibility on how an office holder's fees are charged to a case. This sheet explains how we may apply the alternative fee bases. The new legislation allows different fee bases to be used for different tasks within the same appointment. The basis or combination of bases set for a particular appointment are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the court. Further detail about how an office holder's fees are approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at www.r3.org.uk. Alternatively, if creditors require any assistance or a hard copy of the guide please contact me.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn and time costs incurred and will also enable the recipients to see the average rates of such costs. Under the new legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under the old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

Time cost basis

This is the basis that we use in the majority of cases and we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

Chargeout Rates

Grade of staff	Current charge-out rate per hour, effective from 1st July 2011 £	Previous charge-out rate per hour, effective from 1st July 2010 £
Partner	290 00	285 00
Director	255 00	250 00
Manager	235 00	230 00
Senior Administrators	155 00	150 00
Administrator/Cashier	105 00	100 00

These charge-out rates charged are reviewed on 1st July each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Each unit of time is 6 minutes. The work is recorded under the following categories:

- Administration and Planning – which includes work such as planning how the case will be administered and progressed, the administrative set up of the case, notifying creditors and others of the appointment, keeping the records relating to the case up to date, and reporting on progress of the case to creditors and others
- Financial affairs of the company and bankrupt, undertaking a detailed investigation with a view to making recoveries for the benefit of creditors where matters such as preferences or wrongful trading come to light as a result of the initial review, and reporting to the Insolvency Service on the conduct of the directors
- Realisation of Assets – which includes work such as identifying, securing and insuring assets, dealing with retention of title claims, collecting debts owed, and selling assets
- Employee matters – which includes work such as dealing with employees, and liaising with the redundancy payments office
- Creditors - which includes work such as communicating with creditors, dealing with creditors' claims, and where funds realised allow, paying dividends to creditors
- Trading – which includes work such as managing and controlling all aspects of the business, and preparing financial records and information relating to that trading

Percentage basis

The new legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal. Different percentages can be used for different assets or types of assets. Where we would like to realise any asset or type of assets on a percentage basis we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

Fixed fee

The new legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. Where we would like to charge a set amount for a task or different set amounts for different tasks we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

All bases

The officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent can include

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

Disbursements

In accordance with Statement of Insolvency Practice 9 (SIP9) the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or RMT, in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

It is proposed that the following Category 2 disbursements are recovered

Room Hire	£30 00
Mileage	at HMRC rates
Storage	£3 per box per quarter
Photocopying	15p per sheet

Further Information

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the office holder's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the office holder's fees and the amount of any

proposed expenses or expenses already incurred, within 8 weeks of receipt of this report
Any secured creditor may make a similar application to court within the same time limit

Or in a Members Voluntary Liquidation,

A member may, with the permission of the court or with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report

A member may, with the permission of the court or with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, apply to court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report

Proxy (Members' or Creditors
/oluntary Winding Up)

No 8 5 (Rule 8 1)
Notes to help with completion of
he form

1) Please give full name and
address for communication

2) Please insert name of person
who must be 18 or over) or the
chairman of the meeting" (see note
below) If you wish to provide for
alternative proxy-holders in the
circumstances that your first choice
is unable to attend please state the
name(s) of the alternatives as well

3) Please delete words in brackets
if the proxy-holder is only to vote as
directed ie he has no discretion

4) Please complete paragraph 1 if
you wish to nominate or vote for a
specific person as liquidator

5) Any other resolutions which the
proxy-holder is to propose or vote in
favour of or against should be set
out in numbered paragraphs in the
space provided below paragraph 1
if more room is required please use
the other side of this form

6) This form must be signed

7) Only to be completed if the
Creditor/Member has not signed in
person

IN THE MATTER OF HARRY KINDRED (NEWCASTLE) LIMITED

AND

IN THE MATTER OF THE INSOLVENCY ACT 1986

(1) Name of [member/creditor]

Address

(2) Name of proxy-holder

1

2

3

I appoint the above person to be my [member's/creditor's] proxy-holder at the meeting of [members/creditors] to be held on 7 September 2011, or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below (3) (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion)

Voting instructions for resolutions

The Liquidators' annual report and receipts and payments account be and are hereby approved

FOR/AGAINST

(6) Signature

Date

Name in CAPITAL LETTERS

(7) Position with [member/creditor] or relationship to [creditor/member] or other authority for signature

Please note that if you nominate the chairman of the meeting to be your proxy-holder he will either be a director of the company or the current liquidator.

Proof of Debt – General Form

HARRY KINDRED (NEWCASTLE) LIMITED In Liquidation	
Date of Winding-Up Order/Resolution for voluntary winding-up 15 July 2010	
1 Name of creditor (If a company please also give company registration number)	
2 Address of creditor for correspondence	
3 Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation	
4 Details of any documents by reference to which the debt can be substantiated (Note There is no need to attach them now but the liquidator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting)	
5 If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6 Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7 Particulars of any security held, the value of the security, and the date it was given	
8 Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
9 Signature of creditor or person authorised to act on his behalf _____	
Name in BLOCK LETTERS _____	
Position with or in relation to creditor _____	
Address of person signing (if different from 2 above) _____	
Admitted to vote for	Admitted for dividend for
£	£
Date	Date
Liquidator	Liquidator