

# Liquidator's Progress Report

# S.192

Pursuant to Sections 92A and 104A and 192 of the Insolvency Act 1986

To the Registrar of Companies

Company Number

05046490

Name of Company

M Curtis Limited

I / We

Rob Sadler, 9th Floor, Bond Court, Leeds, LS1 2JZ

Andrew Mackenzie, 9th Floor, Bond Court, Leeds, LS1 2JZ

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

The Progress Report covers the period from 11/07/2013 to 10/07/2014

Signed



Date

11.8.14

Begbies Traynor (Central) LLP  
9th Floor  
Bond Court  
Leeds  
LS1 2JZ

Ref MC030CVL/RS/AGM/LL/JOG/CP/DAH

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## **M Curtis Limited (In Creditors' Voluntary Liquidation)**

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Progress report pursuant to Section 104A of the Insolvency Act 1986 and Rule 4.49C of the Insolvency Rules 1986

Period: 11 July 2013 to 10 July 2014

### **Important Notice**

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company 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 and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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# 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	M Curtis Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators pursuant to Section 98 of the Act on 11 July 2011
"the liquidators", "we", "our" and "us"	Rob Sadler of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ and Andrew Mackenzie of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and  (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

## 2. COMPANY INFORMATION

Trading name(s)	M Curtis Limited
Company registered number	05046490
Company registered office	9th Floor, Bond Court, Leeds, LS1 2JZ
Former trading address	23 Hoylake Road, Scunthorpe, South Humberside, DN17 2AZ

## 3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	11 July 2011
Date of liquidators' appointment	11 July 2011

## 4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 11 July 2013 to 10 July 2014

### RECEIPTS

#### *Director's Loan Account*

The Company's director, Mr Mark Curtis, had an outstanding director's loan account in the sum of £129,331 at the date of the liquidators' appointment. The director entered into a voluntary arrangement on 30 December 2011 due to his personal financial position.

£27,769 has been received which represents a first and final dividend distribution of 21p in the £.

#### *Bank Interest*

Bank interest in the sum of £79 has been received which has accrued on the funds held in the liquidation account.

### PAYMENTS

#### *Statutory Advertising*

We have paid the sum of £85 in respect of the statutory advertising fee incurred when advertising our notice of intention to pay a dividend distribution to unsecured creditors.

#### *Storage Costs*

The sum of £139 has been paid to Restore Limited for the costs incurred in storing the Company's books and records.

All other payments are detailed in the attached receipts and payments account and are discussed elsewhere in this report.

## 5. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment based upon the information detailed in the director's statement of affairs and the work we have undertaken in the course of the liquidation, are as follows

### Secured creditors

#### ***Royal Bank of Scotland Invoice Finance ("RBSIF")***

The Company's book debt ledger was factored with RBSIF that held a fixed and floating charge debenture created on 21 July 2006 and registered at Companies House on 22 July 2006. The total amount outstanding to RBSIF as at the date of appointment was £186,900

#### ***National Westminster Bank plc ("Natwest")***

Natwest's security consists of a fixed and floating charge debenture created on 1 June 2007 and registered at Companies House on 6 June 2007. The total sum of £44,369 was due to Natwest as at the date of appointment

### Preferential creditors

Preferential claims of employees for arrears of wages, salary and holiday pay were estimated at £16,477

### Unsecured creditors

Unsecured creditors were estimated at £694,027

On the basis of realisations, the outcome for each class of the Company's creditors is as follows

### Secured creditors

#### ***RBSIF***

Following collection of the Company's factored book debt ledger RBSIF has been repaid in full

#### ***Natwest***

A distribution in the sum of £44,369 has been paid to Natwest in accordance with its security

### Preferential creditors

A dividend of 100 pence in the £ has been paid to the preferential creditors totalling £16,378

### Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act 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. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows

- 50% of the first £10,000 of net property,
- 20% of net property thereafter,
- Up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the prescribed part of net property if

- the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit, (Section 176A(3)) or
- the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5))

A dividend from the prescribed part of 2 89 pence in the £ was paid to unsecured creditors on 8 May 2014

#### **Unsecured creditors**

As we have previously advised there will be no dividend distribution to unsecured creditors apart from the dividend paid from the prescribed part

## **6. REMUNERATION & DISBURSEMENTS**

Our remuneration has been fixed by a resolution of creditors at a meeting held on 11 July 2011 by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the liquidation and we are authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, details of which accompanied the Statement of Affairs and other information presented to the meeting of creditors convened pursuant to Section 98 of the Act and which is attached at Appendix 2 of this report

Our time costs for the period from 11 July 2013 to 10 July 2014 amount to £7,717 which represents 50 hours at an average rate of £154 per hour

The following further information in relation to our time costs and disbursements is set out at Appendix 2

- Begbies Traynor (Central) LLP's policy for re-charging disbursements
- Begbies Traynor (Central) LLP's charge-out rates
- Narrative summary of time costs incurred
- Table of time spent and charge-out value for the period 11 July 2013 to 10 July 2014
- Table of time spent and charge-out value for the period 11 July 2011 to 10 July 2014

To 10 July 2014, we have drawn the total sum of £10,000 on account of our remuneration, against total time costs of £38,183 incurred since the date of our appointment. In addition to the time costs information disclosed at Appendix 2 for the period of this report, our previous progress reports contained details of the time costs we had incurred as at the date of each report

During the period of this report we have drawn disbursements of £139 in respect of storage costs

## **7. LIQUIDATORS' EXPENSES**

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3

## 8 ASSETS THAT REMAIN TO BE REALISED

There are no assets that remain to be realised

## 9. OTHER RELEVANT INFORMATION

### Investigations and reporting on directors conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, as explained in the report circulated at the meeting of creditors convened pursuant to Section 98 of the Act, such report having also been sent to creditors following the meeting, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Innovation and Skills. We can confirm that we have discharged our duties in these respects.

## 10. CREDITORS' RIGHTS

### Right to request further information


Pursuant to Rule 4.49E 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 an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been detailed in this progress report.

### Right to make an application to court

Pursuant to Rule 4.131 of the Rules, any secured creditor or any 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 the unsecured creditors, but with the 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 as set out in this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

## 11 CONCLUSION

We will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner.



R Sadler  
Joint Liquidator

Dated 11 August 2014



# ACCOUNT OF RECEIPTS AND PAYMENTS

Period 11 July 2013 to 10 July 2014

Statement of	11/07/2013 to 10/07/2014 £	11/07/2011 to 10/07/2014 £
<b>ASSETS SUBJECT TO FIXED CHARGE</b>		
95,000 00		
Trucks and trailers	-	105 000 00
Less Bank of Ireland	-	(54 413 00)
32,000 00		
Trucks and trailers	-	40,000 00
Less Barclays Asset Finance	-	(21,239 40)
65,000 00		
Trucks and trailers	-	70 000 00
Less Santander	-	(64,986 00)
<b>192,000 00</b>		<b>74 361 60</b>
<b>ASSETS SUBJECT TO FLOATING CHARGE</b>		
	27 769 27	27 769 27
20,890 00		
Directors' Loan Account - dividend distribution from IVA	-	3 672 63
4,250 00		
Book debts	-	21 000 00
Trucks and trailers	79 42	179 05
Bank interest gross	27 848 69	52,620 95
<b>25,140 00</b>		
<b>COST OF REALISATIONS</b>		
	-	210 00
Specific bond	-	5 000 00
Statement of affairs fee	-	10 000 00
Liquidators fees	-	289 14
Liquidators' expenses	-	18,500 00
Agents fees	-	51 97
Re-direction of mail	84 60	390 60
Statutory advertising	139 20	139 20
Storage Costs	-	735 11
Insurance of assets	9 69	9 69
Corporation tax	-	15 00
Bank charges	(233 49)	(35 340 71)
<b>PREFERENTIAL CREDITORS</b>		
	15 280 65	15 280 65
Dividend Distribution of 100p in the £	1 097 45	1 097 45
Tax and Nil on Distribution	(16 378 10)	(16 378 10)
<b>FLOATING CHARGE CREDITORS</b>		
	-	(44,368 51)
Distribution to floating charge creditor	-	(44 368 51)
<b>UNSECURED CREDITORS</b>		
	10,842 00	10 842 00
Prescribed Part Distribution 2 89p in the £	(10,842 00)	(10 842 00)
<b>TOTAL</b>	<b>395 10</b>	<b>20,053 23</b>
<b>REPRESENTED BY</b>		
		20 008 47
Bank account		44 76
VAT Receivable		<b>20,053 23</b>

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## TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Narrative summary of time costs incurred,
- d Table of time spent and charge-out value for the period from 11 July 2013 to 10 July 2014, and
- e Cumulative table of time spent and charge-out value for the period from 11 July 2011 to 10 July 2014

## BEGBIES TRAYNOR CHARGING POLICY

### INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of 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 the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance<sup>1</sup> 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 cost of facilities provided by the firm. Best practice guidance<sup>2</sup> 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 INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear in Appendix 3.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed in Appendix 3.

### EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- *Category 1 expenses (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 expenses (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)

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 per meeting,
- Car mileage is charged at the rate of 45 pence per mile,
- Storage of books and records (when not chargeable as a *Category 1 expense*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates,

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<sup>1</sup> Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 1 April 2007)

<sup>2</sup> Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 1 April 2007)

(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 expense*

- Telephone and facsimile
- Printing and photocopying
- Stationery

#### BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Leeds Bond Court office as at the date of this report are as follows

Grade of staff	Charge-out Rate (£ per hour)
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Junior Administrator	110
Support	110

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in units of 0.10 of an hour (i.e. 6 minute units)

**SUMMARY OF OFFICE HOLDERS' TIME COSTS**

CASE NAME M Curtis Limited  
CASE TYPE Creditors' Voluntary Liquidation  
OFFICE HOLDERS Rob Sadler and Andrew Mackenzie  
DATE OF APPOINTMENT 11 July 2011

**1 CASE OVERVIEW**

1.1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case

**1.2 Complexity of the case**

The main complexity of this case has been the realisation of the Company's motor vehicles, namely liaising with our agents and the finance companies to identify the assets suitable for sale or repossession and arranging for the same to be implemented

**1.3 Exceptional responsibilities**

There have been no exceptional responsibilities

**1.4 The office holders' effectiveness**

The office holders' strategy was to realise the Company's main assets, being motor vehicles, in order to enable a distribution to be made to creditors. This purpose has been achieved with the sale of the Company's motor vehicles and the subsequent distributions to both the finance companies and secured creditors

**1.5 Nature and value of property dealt with by the office holders**

The main assets dealt with by the liquidators have been the Company's motor vehicles and trailers, which were appraised and sold by their agents, Sanderson Weatherall

**1.6 Anticipated return to creditors**

Distributions of 100p in the £ have been made to the secured and preferential creditors of the Company

A dividend from the prescribed part of 2.89 pence in the £ has been paid to unsecured creditors on 8 May 2014. There will be no further dividend distribution to unsecured creditors

**1.7 Time costs analysis**

An analysis of time costs incurred between 11 July 2013 and 10 July 2014 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type

The time costs analysis provides details of work undertaken by the Liquidators and their staff following their appointment only

**1 8 Work undertaken prior to appointment**

In addition to the post appointment time costs detailed in the Time Costs Analysis, the costs relating to work undertaken prior to the Liquidators' appointment in summoning, advertising and holding the creditors' meeting and assisting the directors in preparing the statement of affairs were approved by the creditors at the Section 98 meeting

**1 9 The views of the creditors**

Creditors were circulated with a copy of the Section 98 report presented at the initial meeting of creditors and were invited to attend the meeting and bring to the liquidators' attention any matters they felt would assist in the liquidators' investigations into the Company's affairs. Creditors have also been provided with a copy of the Joint Liquidators' previous progress report dated 14 August 2012

**1 10 Approval of fees**

The liquidators' fees were approved by creditors at the initial meeting of creditors held on 11 July 2011

**1 11 Approval of Expenses and Disbursements**

The liquidators were granted approval to draw disbursements, including category 2 disbursements, at the initial meeting of creditors held on 11 July 2011

**1 12 Category 2 Disbursements**

In accordance with the resolution obtained in relation to expenses and disbursements, the following Category 2 disbursements and disbursements which should be treated as Category 2 disbursements have been charged to the case since the date of my appointment

<b>Other amounts paid or payable to the office holder's firm</b>	
<b>Type and purpose</b>	<b>Amount £</b>
Mileage – 45p per mile	49 50
<b>TOTAL</b>	<b>49 50</b>

**1 13 Other professionals employed & their costs**

Sanderson Weatherall were engaged to act as agents in respect of this matter and were remunerated on a time costs basis

**2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES**

2 1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached at Appendix 2

2 2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 2

**3. SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT**

3 1 Since the date of our last report, the following work has been carried out

- Dealing with creditor queries and correspondence, and
- Liaising with Evolution Business Recovery Services Limited regarding the director's IVA and the distribution due to be received in respect of the same







**STATEMENT OF EXPENSES**

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Storage costs	Restore Limited	139 20	139 20	Nil
Statutory Advertising	Courts Advertising	84 60	84 60	Nil