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Whiteley Electronics Limited (In Compulsory Liquidation)

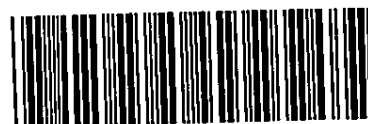
Bristol District Registry No. 26 of 2012

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Final report and account of the liquidation pursuant to Section 146 of the Insolvency Act 1986 and Rule 4.125 of the Insolvency Rules 1986

Period: 2 April 2014 to 18 July 2014

SATURDAY



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COMPANIES HOUSE

### **Important Notice**

This report has been produced solely to comply with our statutory duty to report to creditors pursuant to Section 146 of the Insolvency Act 1986. This 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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## **Contents**

- ☐ Interpretation
- ☐ Company and liquidators' details
- ☐ Progress since appointment
- ☐ Outcome of investigations
- ☐ Outcome for creditors
- ☐ Remuneration and disbursements
- ☐ Closure of the liquidation
- ☐ Appendices
  - 1 Liquidators account of receipts and payments
  - 2 Liquidators time costs and disbursements

## 1 INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Whiteley Electronics Limited (In Compulsory Liquidation)
"the liquidation"	The appointment of liquidators by the Secretary of State pursuant to Section 137 of the Act on 2 April 2012
"the liquidators", "we", "our" and "us"	Julie Anne Palmer and Simon Guy Campbell of Begbies Traynor (Central) LLP, 65 St Edmunds Church Street, Salisbury, Wiltshire, SP1 1EF
"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

This is our final report and account of the liquidation and should be read in conjunction with the progress reports to creditors dated 1 April 2013 and 1 April 2014

## 2 COMPANY AND LIQUIDATORS' DETAILS

Trading name(s)	N/A
Company registered number	00251781
Nature of business	Manufacturing - Other
Registered office address	65 St Edmunds Church Street, Salisbury, Wiltshire, SP1 1EF
Former trading address	33-34 Victoria Street, Mansfield, Nottinghamshire, NG18 5RW
Date of winding up petition	6 January 2012
Date of winding up order	23 February 2012
Date of liquidators' appointment	2 April 2012
Changes in liquidator(s) (if any)	None

### 3 PROGRESS SINCE APPOINTMENT

Attached at Appendix 1 is a summary of our account of receipts and payments for the period from our appointment to 18 July 2014

The Company's only asset at the date of liquidation was its 49% share in a Chinese joint venture. This was sold for £10,000. The purchaser agreed to cover the associated costs in placing the Company in Compulsory Liquidation and completing the sale, being remuneration of £7,692.93 and disbursements of £3,397.89. Therefore, these amounts were not paid from the estate realisations.

The amount paid to the Official Receiver represents the costs incurred by the Official Receiver prior to our appointment. The amount paid to the Secretary of State was detailed in our progress report and is charged based on a percentage of realisations.

The sum of £2,156.75 was distributed to the Company's secured creditor, Barclays Bank, in respect of its fixed and floating charge debenture dated 18 June 2002.

We confirm that the account has been reconciled with that which is held by the Secretary of State in respect of the winding up.

A Liquidation Committee was not formed and, accordingly, we are seeking creditors approval of the attached receipts and payments account.

### 4 OUTCOME OF INVESTIGATIONS

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 assets. We can confirm that we have discharged our duties in these respects.

### 5 OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our previous report to creditors dated 1 April 2014. On the basis of realisations, the outcome for each class of the Company's creditors is as follows:

#### **Secured creditor**

Barclays Bank has received a distribution of £2,156.75 under its security.

#### **Preferential creditors**

No dividend is available for preferential creditors.

#### **Unsecured creditors**

No dividend is available for unsecured creditors.

### 6 REMUNERATION AND DISBURSEMENTS

Our remuneration has been fixed by a resolution of creditors 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.

Our time costs for the period from 2 April 2014 to 18 July 2014 amount to £3,027 50 which represents 16 8 hours at an average rate of £180 21 per hour

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

- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 2 April 2014 to 18 May July 2014
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

To 18 July 2014, we have drawn the total sum of £10,692 93 on account of our remuneration, against total time costs of £17,563 00 incurred since the date of our appointment

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2011' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at [www.begbies-traynor.com/creditorsguides](http://www.begbies-traynor.com/creditorsguides). Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy

## 7 CLOSURE OF THE LIQUIDATION

We consider that the winding up of the Company is now complete. Accordingly, a final meeting of creditors was convened and held, pursuant to Section 146 of the Act, at 10 00 am on 18 July 2014. The creditors did not resolve against the liquidators' release.

**S G Campbell**  
Joint Liquidator

Dated 18 July 2014

## ACCOUNT OF RECEIPTS AND PAYMENTS

	From 02/04/2014 To 18/07/2014	From 02/04/2012 To 18/07/2014
<b>ASSET REALISATIONS</b>		
Shares & Investments	NIL	10,000 00
Bank Interest Gross	NIL	NIL
	<u>NIL</u>	<u>10,000 00</u>
<b>COST OF REALISATIONS</b>		
O R Disbursements	NIL	1,070 00
DBIS Cheque Fees	2 20	2 35
Secretary of State Fees	90 00	3,560 00
Office Holders Fees	NIL	3,000 00
Corporation Tax	NIL	NIL
Bank Charges	22 00	212 00
	<u>(114 20)</u>	<u>(7,844 35)</u>
<b>FLOATING CHARGE CREDITORS</b>		
Barclays Bank	2,155 65	2,155 65
	<u>(2,155 65)</u>	<u>(2,155 65)</u>
	<u>(2,269 85)</u>	<u>0.00</u>

## 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, and
- d Table of time spent and charge-out value for the period from 2 April 2014 to 18 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 below.

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 below.

### **EXPENSES INCURRED BY OFFICE HOLDERS 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 referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *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 the rate of 45 pence per mile,

(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

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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> Ibid 1



**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 Salisbury office as at the date of this report are as follows:

<b>Grade of staff</b>	<b>Charge-out Rate (£ per hour)</b>
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 such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

## SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME Whiteley Electronics Limited  
BRISTOL DISTRICT REGISTRY 26 OF 2012  
CASE TYPE COMPULSORY LIQUIDATION  
OFFICE HOLDERS Julie Anne Palmer AND Simon Guy Campbell  
DATE OF APPOINTMENT 2 April 2012

### 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**  
Considerable time and expense was spent dealing with the sale of shares owned by the Company to an overseas purchaser. This has also required significant input from other professionals
- 1.3 **The office holders' effectiveness**  
The strategy has not changed and is expected to result in a distribution being made to the secured creditor
- 1.4 **Nature and value of property dealt with by the office holders'**  
As detailed in the attached report, the Company owns shares in a Chinese joint-venture. The share realised £10,000
- 1.5 **Anticipated return to creditors**  
As detailed in the attached report, the secured creditor will receive a distribution but there will be no distribution to any other class of creditor
- 1.6 **Time costs analysis**  
An analysis of time costs incurred between 2 April 2012 and 18 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
- 1.7 **Other professionals employed and their costs**  
Other professionals were chosen based on their ability to undertake the required work. The fee arrangements of those professionals are also taken into consideration when deciding who to instruct

### 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

