

LIQ03

Notice of progress report in voluntary winding up



Companies House

WEDNESDAY



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17/01/2018

#262

COMPANIES HOUSE

1 Company details

Company number 00488978

Company name in full Browns of Loughton Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Isobel

Surname Brett

3 Liquidator's address

Building name/number 21 Highfield Road

Street

Post town Dartford

County/Region Kent

Postcode DA1 2DS

Country ENGLAND

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

Notice of progress report in voluntary winding up

6 Period of progress report

From date	1	2	1	1	2	0	1	6
To date	1	1	1	1	2	0	1	7

7 Progress report

☐ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X 

X

Signature date

^d 1 ^d 0

^m 0 ^m 1

^y 2 ^y 0 ^y 1 ^y 8

LIQ03

Notice of progress report in voluntary winding up

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Isobel Susan Brett

Bretts Business Recovery Limited

21 Highfield Road

Dartford

Kent

Postcode	D	A	1		2	J	S	
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DX

01474 532862

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

Important information

All information on this form will appear on the public record.

Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

BROWNS OF LOUGHTON LIMITED IN MEMBERS' VOLUNTARY LIQUIDATION

ANNUAL REPORT

10 January 2018

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1. INTRODUCTION

This Progress Report summarises the progress of the liquidation for the period from 12 November 2016 to 11 November 2017 ("the Review Period").

The purpose of this report is to detail my acts and dealing as Liquidator and it should be read in conjunction with my previous correspondence to Creditors.

2. BACKGROUND

The Company was incorporated on 5 December 1950. The Company was trading as a Vauxhall dealership and service centre. The company was also registered to provide GAP Insurance to its customers.

The Company was placed into liquidation on 12 November 2014 by a meeting of members convened pursuant to Section 84 of the Insolvency Act 1986 and I was appointed Liquidator. On the same day, I was also appointed Liquidator of two group companies called Browns of Loughton (Holdings) Limited ("BLHL") and Browns of Loughton (Vehicle Rentals) Limited ("BLVRL")

REGISTERED NAME, ADDRESS AND NUMBER

Browns of Loughton Limited (In Liquidation), ("the Company")
Registered Number: 00488978

Registered office: 21 Highfield Road
Dartford
Kent
DA1 2JS
United Kingdom

Former Registered Office& Trading Address: Unit 43 Oakwood Hill Industrial Estate
Oakwood Hill
Loughton
Essex
IG10 3TZ

APPOINTMENT DETAILS

Name of Liquidators: Isobel Susan Brett

Address of Liquidators: 21 Highfield Road
Dartford
Kent
DA1 2JS

Date of Appointment of Liquidators: 12 November 2014

PURPOSE OF THE LIQUIDATION

The purpose of the liquidation was to achieve an orderly closure of the company, realise the assets of the company, settle all outstanding liabilities and to voluntarily wind up the affairs of the company.

3. EXECUTIVE SUMMARY

A summary of key information in this report is detailed below.

BROWNS OF LOUGHTON LIMITED IN MEMBERS' VOLUNTARY LIQUIDATION
ANNUAL REPORT
10 January 2018

Realisation

Asset	Estimated to realise per Declaration of Solvency £	Realisations up to date £	Estimated future realisations £	Estimated total realisations £
Property	350,000	Distribution in specie	NIL	Distribution in specie
Cash at Bank	520,889	516,743.47	NIL	
Rent	NIL	8,675.00	NIL	
Bank Interest Gross	NIL	6.85	NIL	
Bank Interest Net of Tax	NIL	124.21	NIL	
Inter Company Accounts - Browns of Loughton (Holdings) Ltd	347,735	Distribution in specie	NIL	Distribution in specie
Cash Balances	NIL	27	NIL	
Directors Loans	74,817	Distribution in specie	NIL	Distribution in specie
Potential VAT Relief			Uncertain	

Expenses

Expense	Expense incurred up to the anniversary	Estimated further expense to closure	Estimated total expense
Office Holders Fees and	4,430.75	500.00	4,930.75
Agents/Valuers Fees *	1,350.00	Not Known	1,
Legal Fees*	2,020.80	Not Known	
Storage Costs	2,843.70	2,000.00	4,843.70
Accountancy Fees*	7,920.00	Not known	
Legal Expenses	1,925.60	Not known	
Property Expenses	293.00	Nil	

*Costs are subject to the pending VAT Reclaim action.

Distributions

Class	Estimated total distribution, based upon the above
Preferential creditors	N/A
Unsecured creditors	100 p in the pound
Ordinary shareholders	Uncertain

Administration and Planning (Including Statutory Reporting)

As Liquidator, I am required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit, they assist in the efficient and compliant progressing of the liquidation, which ensures that I and my staff carry out our work to high professional standards.

Liquidator's Actions since Last Annual Report

As previously advised, all the known assets except the potential VAT reclaim have been recovered and the surplus funds have been distributed to the shareholder in specie and in cash.

The company's VAT reclaim was dependent on the ongoing case between Littlewood and HM Revenue and Customs. In November 2017, the Supreme Court (reversing the decision of the Court of Appeal), found that Littlewoods was not entitled to compound interest on the repayment of VAT paid. The recovery prospects for the Company in terms of the VAT reclaim, therefore, is very unlikely. An appropriate decision on the Company's claim will be made after consulting with the relevant parties including the director.

Key activities undertaken

During the Review Period, the following key activities have been undertaken:-

- Review and monitor the group VAT Reclaim of the company.
- Liaising with the company directors regarding storage costs, insurance claim and distribution
- Case reviews / Checklists;
- Calculation of Specific Bond required;
- Progress Report to members and creditors;
- Settled expenses of the liquidation;
- Statutory filing at Companies House;
- Reconciliation of estate bank account;

Summary of key issues outstanding

- Review the Group VAT Relief action.
- Review dividend prospects from the liquidation estate of a creditor.
- VAT De-registration
- Recovery of post liquidation VAT Refunds
- Final clearance from HM Revenue and Customs
- Settle accrued expenses of the liquidation
- Further dividend distribution to shareholder;
- Final account and closure formalises as appropriate.

Dividend prospects

Based on current information, the shareholder shall receive a further dividend. However, the timing and the quantum of the final dividend distribution is not known.

Closure

If I am not proceeding with the group VAT reclaim, I should be in a position to conclude this liquidation within the next 3-6 months.

4. RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 12 November 2016 to 11 November 2017 is attached at Appendix 1.

Estate funds were banked in a designated interest bearing clients' account at a UK bank and accordingly there is no account held by the Secretary of State to reconcile this account to.

5. ASSETS

According to the declaration of solvency sworn in these proceedings, the assets of the Company had an estimated value of £1,293,441, which comprised principally of two properties worth £350,000, directors' loan account of £74,817, cash at bank of some £520,889 and inter-company debt of £347,735. The progress of the realisation of these assets were detailed in my previous reports. In summary:-

Inter-company debts.

An inter-company debt of £347,735 was due from BLHL. However, the Company owed an inter-company debt of £1,278,966 to BLVRL. The inter-company debts, therefore, have been distributed in specie to the sole shareholder BLHL, after applying a set off.

Directors Loan Account

The director's loan account of £74,817.00 has been distributed, in specie, to the sole shareholder BLHL.

Cash at Bank

I have realised the cash balance held at the Company's bank of £516,743.47, in full.

Property

The Company's property consisted of Company's leasehold trading place at 42A Oakwood Hill Industrial Estate Oakwood Hill, Loughton, Essex, IG10 3TZ, and a car park at Smart Lane, Loughton (Both these properties are collectively referred to in this report as "the Property").

The Property has been distributed in specie to the shareholder after settling the costs.

Other Assets

I have been informed that the Company has a potential VAT reclaim against HMRC in respect of an overpayment of compound interest previously made. The circumstance of the Company's claim is identical to that of Littlewoods Ltd Vs HMRC and there was appeal to be heard by the Court in 2017. The liquidation was kept open to enable the VAT Reclaim to happen.

As advised above, the Supreme Court found that Littlewoods is not entitled to receive the compound interest rate. It is not known whether Littlewoods intends to appeal this decision.

I shall seek instruction from the shareholder as to whether the liquidation to remain open pending a possible appeal in the case of Littlewoods Vs HMRC.

6. CREDITORS

Secured Liabilities

There are no other known secured creditors in this liquidation.

Preferential Creditors

There are no known preferential creditors in this liquidation.

Crown Creditors

The Crown has previously submitted an interim claim of £129,379.04 in this liquidation. I have previously paid a dividend of £3,828.43 to HMRC. I have received a revised interim claim of £191.95 from HMRC during the review period. A final claim from HMRC has not yet been received and I am following up this matter.

Unsecured Creditors

The declaration of solvency included an inter-company debt of £1,278,966.00 owed to BLVRL.

As previously advised, the Company had sold its last GAP Insurance and the last date to make a claim under the GAP insurance expired in July 2015.

A former customer had a Payment Protection Insurance ("PPI") claim against the Company. This claim was rejected by the Financial Ombudsman Services and the last date to make an appeal expired on 7 April 2015.

I have been informed that a former employee has a claim against the company. The claim had been forwarded to the company insurers to deal with.

I am not expecting any contingent claims from any of the above sources as the statutory time limit to make a claim against the Company appears to have expired. Any claim received before the closure of the liquidation will be reviewed on a case by case basis.

DIVIDENDS TO CREDITORS

As advised above, the debt owed to BLVRL was distributed, in specie. A distribution was made to the crown debt in respect of its interim claim.

The surplus funds held in the liquidation estate were distributed to the shareholder.

SHAREHOLDINGS

The company has an authorised and issued share capital of £12,552 represented by 12,552 ordinary shares of £1. All the shares are held by BLHT.

7. DISTRIBUTIONS TO SHAREHOLDERS

No further distribution was made during the review period.

I received indemnity from the shareholder to the extent of the value of the distributions they have received from the liquidation, for any contingent liabilities.

It appears that there will be further distribution payable to the shareholder.

The net assets distributed to date, in cash and in specie, resulted in an overall deficiency to the shareholder. A final reconciled position will be undertaken towards the closure of the liquidation.

8. LIQUIDATOR'S REMUNERATION

My remuneration was previously authorised by members at a meeting held on 12 November 2014. At the meeting of members the following resolution was passed in respect of my remuneration.

"That the Liquidator's fee will be charged as a fixed amount of £2,500 plus VAT and disbursements of £745.50 plus VAT."

I have drawn a fee of £2,500 in accordance with the resolution passed on 12 November 2014. This sum includes the pre-and post-liquidation remuneration.

It was agreed by the member that the liquidator may charge a further fixed fee of £500 plus VAT per annum until the closure of the liquidation. Accordingly I have drawn a further £500 plus VAT from the liquidation estate during the review period.

Total remuneration drawn up to the review period amounts to £3,500.00 plus VAT and disbursements.

Liquidator's Expenses

No further disbursements have been charged to the estate during the third anniversary period.

Chare out rates.

A Creditors Guide to Insolvency Practitioners' Fees may be found on our website <http://www.brettsbr.co.uk/cgff/>. Should however you require a copy of this document to be sent to you please contact my office.

Professional / Agency Fees

No agents or professional advisors have been utilised in this matter during the review period:

Details of professional advisors used for this assignment was reported in my previous reports.

I have incurred additional costs of £847.98 in terms of storage during the review period. Further expenses are being accrued.

The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

9. FURTHER INFORMATION

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.

10. CONCLUSION

The administration of the liquidation will continue to enable me to finalise the pending matters and the final distribution to the shareholders, following which I will proceed with the formalities required to conclude the liquidation.

I confirm that the Company's centre of main interest is in the UK. Accordingly the Council Regulations (EC) No 1346/2000 of 29 May 2000 on insolvency proceedings will apply which is replaced and superseded by Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings. The EU Insolvency Regulation (EC/1346/2000) will continue to govern insolvency proceedings that are opened in the EU before 26 June 2017.

Finally, as an Insolvency Practitioner, when carrying out all professional work relating to an insolvency appointment, I am bound by the Insolvency Code of Ethics, as well as by the regulations of my professional body. More details about these matters and general information about Bretts Business Recovery Limited that is of relevance to creditors can be found at <http://www.brettsbr.co.uk/insolvency-rules/servicesregulations/>

Should you have any queries regarding this matter, or the contents of this report, please contact Riji Menon Gopinathan on 01474 532862.



Isobel Susan Brett
Liquidator

APPENDIX - 1

Browns of Loughton Limited - In Members Voluntary Liquidation
Liquidator's Abstract of Receipts & Payments
From 12 November 2015 to 11 November 2016
&
From 12 November 2014 to 11 November 2016

S of A £	12/11/2014 to 11/11/2015	12/11/2015 to 11/12/2016	Total £
RECEIPTS			
Opening Balance		6,056.13	
350,000.00 Property *	350,000.00	NIL	350,000.00
347,735.00 Inter Company Loans - Browns of Loughton (Holdings) Limited *	347,735.00	NIL	347,735.00
74,817.00 Director's Loan Account *	74,817.00	NIL	74,817.00
520,889.00 Cash at Bank	516,743.47	NIL	516,743.47
NIL Bank Interest Net of Tax	124.21	NIL	124.21
Bank Interest Gross	6.05	0.80	6.85
Cash Balance	27.00	NIL	27.00
Rent	8,675.00	NIL	8,675.00
<u>1,293,441.00</u>	<u>1,298,127.73</u>	<u>6,056.93</u>	<u>1,298,128.53</u>
PAYMENTS			
Agents/Valuers Fees	1,350.00	NIL	1,350.00
Legal Fees	2,020.80	NIL	2,020.80
Storage Costs	2,843.70	847.98	3,691.68
Rents Payable	3,867.50	NIL	3,867.50
Rates	896.40	NIL	896.40
Legal Expenses	1,925.60	NIL	1,925.60
Property Expenses	293.00	NIL	293.00
Unsecured Creditors	3,830.66	NIL	3,830.66
Distribution in Specie to the Shareholder	772,552.00	NIL	772,552.00
Cash payment to shareholder as a creditor	485,000.00	NIL	485,000.00
Refund to Debtor	600.00	NIL	600.00
Accountancy Fees	7,920.00	NIL	7,920.00
Vat Receivable	5,041.19	269.60	5,310.79
Liquidator's Fees and Disbursements	3,930.75	500.00	4,430.75
	<u>1,292,071.60</u>	<u>1,617.58</u>	<u>1,293,689.18</u>
CASH IN HAND	<u>6,056.13</u>	<u>4,439.35</u>	<u>4,439.35</u>

Note

* These assets have been distributed in Specie to the Shareholder at their book value.

*** These costs were initially paid by the Company on behalf of other group companies, which were subsequently reimbursed.



Disbursements & Charge-out Rates

Introduction

This statement has been prepared in accordance with the guidelines set out in Statement of Insolvency Practice 9 issued by the Association of Business Recovery Professionals (R3). The following information applies to all appointments of partners or staff of Bretts Business Recovery Ltd to act as any of the following:

- Liquidator, Receiver, Administrator or Administrative Receiver of a Limited Company or LLP
- Trustee in Bankruptcy
- Supervisor of an Individual, Company or Partnership Voluntary Arrangement
- Administrator under the Insolvent Estates Order

Staff Charge-Out Rates

Unless they are otherwise fixed in accordance with the Insolvency Act 1986, an Offices Holders fees are charged by reference to time costs, as incurred, charged at the firms usual rates applicable at the time the work is carried out. Rates may be varied from time to time, at the sole discretion of Bretts Business Recovery Ltd and such changes will be notified in retrospect with each report to Creditors. Staff time is charged in units of six minutes and as from 1st December 2012 the maximum rates applicable are:

Grade of staff	Charge-out rate per hour, effective from:		
	1 st	1 st	
	December 2012 (£)	January 2016 (£)	January 2017 (£)
Partner	300	325	345
Senior manager	250	275	295
Manager	225	250	265
Senior Administrator (grade 1)	200	220	235
Senior Administrator (grade 2)	175	190	200
Administrator (grade 1)	150	175	190
Administrator (grade 2)	125	125	150
Administrator (grade 3)	90	110	120

Expenses and Disbursements

Category 1 - expenses and disbursements relate to specific expenditure to an independent third party for which an invoice will normally be payable. Examples of such include company searches, postage, storage costs, advertising, courier costs, external room hire etc. Category 1 expenses and disbursements are recoverable in full without the need for creditor approval.

Category 2 - expenses and disbursements for which there will be no third party invoice may include shared or allocated costs. Examples of these include stationery, photocopying, faxes, room hire etc. Category 2 expenses and disbursements are recoverable in full with the approval of creditors subject to the basis of the charges being disclosed. The basis of these charges is set out below:

Photocopying	10p per sheet
Facsimile	10p per facsimile
BBR Meeting Room Hire	£100
Travel / Mileage	45p per mile

Appendix 3

General Description	
Administration and Planning	
Statutory/advertising	Filing of documents to meet statutory requirements Advertising in accordance with statutory requirements
Document maintenance/file review/checklist	Filing of documents Periodic file reviews Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers, closure of accounts etc Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments
Planning / Review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
Books and records / storage	Dealing with records in storage Sending job files to storage
Progress reports	Preparing progress report, to creditors/members Disclosure of sales to connected parties
Meeting of Members	Preparation of meeting notices, proxies/voting forms notice of meeting to all members Collate and examine proofs and proxies/votes to decide on resolutions Preparation of meeting file, including agenda, certificate of postage, attendance register, list of members, reports to members and draft minutes of meeting. Responding to queries and questions following meeting Issuing notice of result of meeting.
Realisation of Assets	Correspondence with director/accountant as regards tax refunds Realise cash at bank Review and locate any other assets of the company. Finalise the asset realisation
Creditors	Preparation of correspondence to potential creditors inviting submission of POD Receive and follow up creditor enquiries via telephone Preparation of correspondence to creditors advising of intention to declare distribution Advertisement of notice of proposed distribution Finalising pre appointment tax position Preparation of distribution calculation Preparation of correspondence to creditors announcing declaration of distribution Obtaining tax clearance
Distributions to Members	Preparation of distribution calculation Preparation of correspondence to members announcing declaration of dividend Preparation of correspondence to members enclosing payment of dividend and distribution statement. Dealing with unclaimed dividends
Closure Formalities (Future activity)	Final Accounts to Members Prepare Final Report Submission to Companies House Final File Review Release Bond Arrange Storage of Case File.