

Liquidator's Progress Report**S.192****Pursuant to Sections 92A, 104A and 192 of the
Insolvency Act 1986**

To the Registrar of Companies

Company Number

00935136

Name of Company

(a) Insert full name of
company

HARRIS BROS (PONTYPOOL) LIMITED

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

I (b)

J M Evans of H R Harris & Partners, 44 St Helens Road, Swansea, SA1 4BB

the liquidator of the company attach a copy of my Progress Report under section 192 of the
Insolvency Act 1986

The Progress Report covers the period from 04 December 2013 to 03 December 2014

Signed

Date 09 March 2015

Presenter's name,
address and reference (if
any)J M Evans
H R Harris & Partners
44 St Helens Road
Swansea
SA1 4BB

TUESDAY

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COMPANIES HOUSE

HARRIS BROS. (PONTYPOOL) LIMITED IN CREDITORS VOLUNTARY LIQUIDATION

ANNUAL REPORT

23 February 2015

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1. INTRODUCTION

The purpose of this report is to detail the acts and dealings of the Liquidators and it should be read in conjunction with previous correspondence to Creditors

2. BACKGROUND

REGISTERED NAME, ADDRESS AND NUMBER

HARRIS BROS (PONTYPOOL) LIMITED (In Liquidation), ("the Company")

Registered Office	44 St Helens Road, Swansea, SA1 4BB
Former Registered Office	101A The Highway, New Inn, Pontypool, Gwent, NP4 0PN
Registered Number	00935136
Trading Names	

APPOINTMENT DETAILS

Name of Liquidators J M Evans

Address of Liquidators: 44 St Helens Road, Swansea, SA1 4BB

Date of Appointment of Liquidators. 04 December 2013

The company's principal activity was Building Contractors

The company traded successfully for many years, the main causes of failure were down to the loss of a main contract. Up until April 2013 the main clients were Monmouthshire County Council, Torfaen Borough Council and Gwent Police working under a framework agreement which provided work for at least 30 employees. Unfortunately, the company was unsuccessful in their submission for the extension of the contract for a further 3 years work, despite an excellent record and commendations from Schools and other bodies incorporated in the framework. Every effort was made to find alternative clients but was unsuccessful.

The loss of the contract together with the fact that two debtors contested fees, totalling over £100,000, caused the company cash flow problems. In view of the circumstances professional advice was sought from the company accountants in early November when we were unable to recover payment from the major debtor and no new contracts were forthcoming. It was realised that most of the workforce would have to be made redundant which would cost the company in the region of £150,000, the company did not have sufficient funds to meet a debt of this magnitude. The company had no alternative other than to cease trading.

On the 6th November 2013 the director sought the advice of J M Evans ACA MABRP of H R Harris & Partners in connection with the company's financial position. On the 13th November 2013, resolutions were passed so as to summon meetings of the members and creditors for the purpose of placing the Company into Creditors Voluntary Liquidation.

3. ASSET REALISATIONS

The Liquidators Receipts and Payment account for the period from 4 December 2013 to 3 December 2014 is attached at appendix 1.

According to the statement of affairs lodged in these proceedings, the assets of the company had an estimated value of £39,463 00, which are scheduled below stating realisations to date.

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Fixed Assets – Motor Vehicles	Estimated to Realise £	Realised to Date £
Combo 1700 CDTI		1,700 00
Vivaro 2700 DTI SWB		500 00
Ford transit 280 SWB TD		500 00
Ford Fiesta Van TDCI 68		3105 26
Lloyds Commercial Finance vehicles		5352 94
Close motors Finance Vehicle		1400 00
Total		12558.20

Asset Name	Est. To Realise £	Realised To Date £
Book Debts	25000 00	19,785 44
Cash at Bank	1,610 00	634 35
Bank Interest Net of Tax	0 00	10 21
VAT Refund	0 00	2,873 00
Total	26,610.00	23,303.00

Book debts

At the time of the liquidation it was known that there were bad debts in the region of £80,000 00, the prospect of collection of these debts was discussed between the liquidator and the directors and it was decided to go ahead to pursue matters if a "Conditional Fee Arrangement" was agreed. It has been decided that it is not possible to move forward on this basis due to the many complications that would arise. There will therefore be no funds realised from this source.

The realisable value given to book debts took into account bad debts and estimated that approximately 28% of other debts would be paid in full. I can advise that the directors assisted in collecting various debtors that paid by bacs transfers and the funds were credited directly into the company bank account. Funds held at the bank were transferred from the bank to the liquidator and were reconciled against the debtors' schedule.

Problematic debtors were dealt with by the administrator of the case through liaising with the directors by making them aware of the disputes raised by the debtors concerned. As can be seen from above the sum of £19,785 44 has been realised to date.

Motor vehicles

The following motor vehicles were valued and sold by the directors prior to the liquidation, all vehicles were subject to a fixed charge in favour of a debenture held by Mr B H Atkins and Mrs C E Mitchell -

Vivaro 2700 DTI SWB	£500 00
Ford Transit 280 SWB TD	£500 00
Ford Fiesta Van TDCI 68	£3,105 26

The sale of these vehicles was accounted for within the company's Bank Account and realised the total sum of £4,105 26 in respect of the fixed asset account.

The directors sold a Combo 1700 CDTI vehicle prior to the liquidation for the sum of £1,700 00 and forwarded these sums directly to myself as Liquidator these sums were credited to the fixed asset account.

The following were leased vehicles with Lloyds Commercial Finance and Close Motor Finance

Lloyds Commercial Finance

Ford Transit 350
Ford Tipper
Ford Transit 280

It was estimated on the directors Statement of Affairs that the vehicles would realise the sum of £15,500 00, with a settlement figure of £5,113 00 owed to Lloyds Commercial Finance, this together with the fixed charge of £157,000 00 held by Mr B Atkins & Mrs C E Mitchell, leaving an estimated to realise sum of £0 00. The vehicles were collected and sold by agents for the Liquidator at a collective sum of £10,600 00 plus VAT, which was £4,900 00 less than the estimated realisable figure. After settlement to the finance company the sum total of £5,352 94 was realised in respect of the fixed asset account.

Close Motor Finance

Transit 110 T350M FWD

It was estimated that this vehicle would realise the sum of £5,000 00, with a settlement figure of £2,535 00 owed to Close Motor Finance, this together with the fixed charge of £147,113 00 held by Mr B Atkins & Mrs C E Mitchell, leaving an estimated to realise sum of £0 00. The vehicle was also collected and sold by the agent for the Liquidator but did not achieve the estimated realisable value. Therefore, following the settlement to the finance company the sum total of £1,400 00 was realised in respect of the fixed asset account.

Cash at bank

The Directors Statement of Affairs indicated that the sum of £1,610 00 was held at the bank at the time of the liquidation. I can advise that I have received the sum of £634 35 which is a combination of credit balances held on two other bank accounts held by the company.

The £1,610 00 was held by the company's main bank account which was then accounted for when the Bank transferred the funds it was holding, to myself as Liquidator. All sums have now been realised from this source.

4 LIQUIDATORS ACTIONS

An initial assessment of the assignment at the time of the director contacting the Insolvency practitioner for advice was that the company's assets were secured by a fixed & floating charge in favour of the directors Mr B H Atkins and Mrs C E Mitchell.

At the outset of the liquidation it was estimated that there would be realisations of £39,463 00. The case was assigned to a senior administrator in order to investigate and pursue assets such as Book Debts and Cash at Bank and to complete statutory tasks. Matters concerning the fixed assets (Motor Vehicles) were to be dealt with by the case Manager/Liquidator. It was also decided that the case Manager/Liquidator would discuss the bad debt situation with solicitors and other related parties to assess the likelihood of success in pursuing matters and the case being taken on as a "Conditional Fee Arrangement".

At the 1st meeting of creditors held on the 4th December 2013 the following resolutions were passed -

A liquidation committee was not elected and the following additional resolutions were passed

- I That H R Harris & Partners be paid in the sum of £4,000 00 plus VAT plus Disbursements in respect of the convening of the meetings and the production of the information for creditors, for the preparation of the statement of affairs and for other

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work undertaken prior to liquidation for the benefit of the company and creditors in general, such fees to be paid from the assets of the company

- ii The liquidator shall be authorised to draw his remuneration based upon his time costs by reference to the time properly given by the liquidator and his staff, in attending to matters arising in the liquidation at H R Harris & Partners standard hourly rates, at the rates prevailing at the time the work is done, such remuneration to be paid out of the assets of the company and which may be drawn on account as and when funds permit
The meeting was provided with the current details of the liquidator's charge out rates
- iii That the liquidator be authorised to draw "Category 2" disbursements out of the assets as an expense of the liquidation, at the rates prevailing when the cost is incurred The meeting was provided with the current details of the liquidator's firm's policy statement regarding disbursements
- iv That the Liquidators be authorised to instruct and pay H R Harris & Partners to assist with corporation tax work, employee claims and any other matters the liquidator deems necessary

As previously advised the fixed assets failed to reach the estimated realisation value, this has obviously affected the sums available to the secured creditors under their fixed charge

5. INVESTIGATION

An initial investigation into the company's affairs was undertaken to establish whether there were any potential asset recoveries or conduct matters that justified further investigation

There were no matters that justified further investigation in the circumstances of this appointment

A final return (D2) on the conduct of any individuals, who have been directors of the Company in the three years prior to the insolvency, is required to be submitted to the Secretary of State within six months of our appointment I would confirm that our return has been submitted

6. CREDITORS CLAIMS & DIVIDEND PROSPECTS

Secured Creditors

The Company granted to Mr BH Atkins & Mrs C E Mitchell a debenture dated 13 June 2012 giving a fixed & floating charge over the assets of the company The amount outstanding at the date of the appointment was £157,500 00

The Company granted to Close Motor Finance a debenture giving a fixed charge over the assets of the company The amount outstanding at the date of the appointment was £2,535 00
This sum has been settled in full

The Company granted to Lloyds Bank Commercial Finance Ltd a debenture dated 5 July 2011 giving a fixed charge over the assets of the company The amount outstanding at the date of the appointment was £5,112 50 This sum has been settled in full

To date the sum of £12,558 20 has been distributed to Mr Atkins and Mrs Mitchell both receiving £6,279 10 each

Dividend in Relation to the Prescribed Part

The Liquidator must state the amount of funds available to unsecured creditors in respect of the prescribed part This provision only applies where the company has granted a floating charge to a creditor after 15 September 2003 As the distribution to the floating charge holder is less than £10,000 00, there will be no prescribed part to unsecured creditors

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The prescribed part was calculated as follows -

50 % of £10,000	£ 5,000 00
20% of £16,610	£ 3,322 00
Total prescribed part.	£8,322 00

The prescribed part distribution is detailed in the Unsecured Creditors section below

Preferential creditors

There are no Preferential Creditors on this assignment

Unsecured creditors

Creditors' claims, as per the statement of affairs totalled £384,327 21, to date I have received thirty three claims totalling £150,044 86 and the agreed creditors' claims amount to £120,932 77

There have been no distributions under the prescribed part at this time. Following confirmation that it will not be cost effective to pursue the bad debts, it is my intention to proceed to finalise matters.

After taking into account final administration costs it is my intention to make a distribution under the prescribed part to the floating charge holders in the near future.

7. COSTS AND EXPENSES

The payments shown on the summary of the Receipts and Payments at Appendix 1 are in the main self-explanatory.

Pre-Appointment Costs

Fixed fee agreed with the Directors and ratified by members and creditors

The creditors authorised the fee of £4,000 00 plus VAT for assisting the directors in calling the relevant meetings and with preparing the statement of affairs for the Section 98 Meeting of Creditors held on 4 December 2013.

The fee for the statement of affairs and meetings was (paid from first realisations on appointment and is shown in the enclosed receipts and payments account).

Liquidator's Remuneration

The Liquidators remuneration was approved on a time cost basis in relation to this assignment, as authorised by creditors at the S98 Meeting on the 4 December 2013 in accordance with the following resolution:

"That the Liquidators are authorised to draw their remuneration on the basis of time properly spent by them and their staff, such time costs to be drawn on account from time to time as funds permit."

Summary of Costs

The Liquidator's time costs for the period 4 December 2013 to 4 December 2014 totals £13,400 00 representing 107 18 hours at an average hourly rate of £124 88. The sum of £10,000 00 has been drawn in respect of remuneration. The time costs are detailed at appendix 2.

Liquidator's Disbursements

The Liquidators category 1 disbursements paid for the period 4 December 2013 to 3 December 2014 totalling £550 69 are detailed at appendix 2 and represent the simple reimbursement of actual out of pocket payments made on behalf of the assignment. All disbursements to date have been paid.

There are no Liquidators category 2 disbursements for the period 4 December 2013 to 3 December 2014. These are disbursements which may include an element of overhead charges in accordance with the resolution passed by creditors at a meeting held on 4 December 2013. The basis of calculation of this category of disbursement was disclosed to creditors prior to the resolution being passed and is also detailed at appendix 2.

A copy of 'A Creditors Guide to Liquidators' Fees' together with the firm's charge-out rate and disbursement policy [may be found at <http://www.hrharrispartners.co.uk/documents/>]. A hard copy of both the Creditors Guide and the firm's charge-out rate and disbursement policy may be obtained on request.

8 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 Liquidator'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 creditors (including the creditor in question), 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. Any secured creditor may make a similar application to court within the same time limit.


At HR Harris & Partners Ltd we always strive to provide a professional and efficient service; however, we recognise that disputes will arise from time to time. If you should have cause to complain, you should, in the first instance, put details of your complaint in writing to HR Harris & Partners Ltd, 44 St Helens Road, Swansea SA1 4BB for the attention of Mr Geoff Muxworthy. This will ensure that all complaints received will be dealt with by a partner of the firm which is unconnected with the appointment.

Most disputes can be resolved amicably; however, in the event that you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the Insolvency Service Complaints Gateway. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 1 City Walk, Leeds, LS11 9DA; you can also make a submission of your complaint online available at www.gov.uk/complain-about-insolvency-practitioner.

9. CONCLUSION

The administration of the liquidation will be continuing in order to deal with the finalising of the Liquidation's administration. It is my intention to call a Final meeting of creditors to proceed to closure. Notice of the meeting will be sent within the next few weeks.

If you require any further information please contact J. M. Evans on 01792 643311.



J. M. Evans
Liquidator

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Harris Bros (Pontypool) Limited - In Creditors Voluntary Liquidation

From 04 December 2013 to 03 December 2014

S of A £	As Previously Reported	04/12/13 to 03/12/14	Total £
RECEIPTS			
	NIL	5,352 94	5,352 94
	NIL	1400 00	1400 00
	NIL	5805 26	5805 26
25,000	NIL	19,785 44	19,785 44
1,610	NIL	634 35	634 35
NIL	NIL	10 21	10 21
NIL	NIL	2,873 00	2,873 00
26,610	NIL	35,861 20	35,861 20
PAYMENTS			
	NIL	4,000 00	4,000 00
	NIL	220 00	220 00
	NIL	59 69	59 69
	NIL	10,000 00	10,000 00
	NIL	9 00	9 00
	NIL	2,873 00	2,873 00
	NIL	145 00	145 00
	NIL	110 00	110 00
	NIL	6,752 94	6,752 94
	NIL	5,805 26	5,805 26
	NIL	1,758 00	1,758 00
	NIL	31,732 89	31,732 89
CASH IN HAND	NIL	4,128 31	4,128 31

H R HARRIS & PARTNERS

Insolvency report, date range 04/12/2013 to 03/12/2014

Client: H2653

Harris Bros. (Pontypool) Limited

Job: 12

Insolvency

<u>Work Type</u>	<u>Partner</u>	<u>Manager</u>	<u>Senior Professionals</u>	<u>Assistants & Support</u>	<u>Total Time</u>	<u>Charge</u>	<u>Avg Hourly rate</u>
Administration and planning			30 42	25 42	56 24	5526 00	97 98
Case specific matters (specify)			0 24		0 24	52 00	130 00
Creditors	0 18		4 36	5 42	10 36	1102 00	103 96
Insolvency general administration							
Investigations			8 42		8 42	1131 00	130 00
Realisation of assets	7 18		23 54		31 12	5589 00	179 13
Unspecified							
Total fees claimed	7 36	0 00	68 18	31 24	107 18	13400 00	124 88

Appendix 3

Category 1 Disbursements

<u>Date</u>	<u>Disbursement</u>	<u>Amount</u> <u>£</u>
15 07 2014	London Gazette – First meeting of Creditors	66 00
15 07 2014	London Gazette – Notice to creditors	66 00
15 07 2014	London Gazette – Resolutions	66 00
15 07 2014	London Gazette – Notice of Appointment	66 00
15 07 2014	INSOLV Case Management Fee	110 00
15 07 2014	Insolvency Bond	174.00
15 07 2014	Land Registry fees	9 00
15 07 2014	Postage costs	<u>59 69</u>
		<u>550.69</u>

Category 2 Disbursements

There are no Category 2 expenses for this period