

## The Insolvency Act 1986

Liquidator's Progress Report  
Pursuant to Section 192 of  
The Insolvency Act 1986**S.192**

For Official Use

To the Registrar of Companies

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Company Number

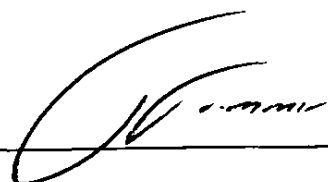
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Name of Company

Baubles The Jewellers Limited

I / We  
Jonathan Malcolm Timmis  
14 Queen Street  
Lancaster  
LA1 1RSthe liquidator(s) of the company attach a copy of my/our progress report  
under section 192 of the Insolvency Act 1986

Signed



Date

20/7/11

J M Marriott  
14 Queen Street  
Lancaster  
LA1 1RS

Ref JMM308/JMT/ABC/SP

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Insolvency Sect

Post Room



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21/07/2011

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COMPANIES HOUSE

THURSDAY

**Baubles The Jewellers Limited**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**

Statement of Affairs		From / / To 25/06/2011	From 25/06/2010 To 25/06/2011
	<b>SECURED CREDITORS</b>		
(170,000 00)	The Royal Bank Of Scotland	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	<b>ASSET REALISATIONS</b>		
NIL	Leasehold Property (1)	NIL	NIL
50 00	Fixtures & Fittings	259 57	259 57
15,400 00	Stock	17,506 41	17,506 41
1 00	Inter-Company Debt	NIL	NIL
	Bank Interest Net of Tax	2 50	2 50
		<u>17,768 48</u>	<u>17,768 48</u>
	<b>COST OF REALISATIONS</b>		
	Specific Bond	50 00	50 00
	Preparation of S of A	4,500 00	4,500 00
	Office Holders Fees	3,000 00	3,000 00
	Office Holders Expenses	234 67	234 67
	Agents/Valuers Fees (1)	5,554 60	5,554 60
	Legal Fees (1)	2,032 00	2,032 00
	Re-Direction of Mail	26 00	26 00
	Statutory Advertising	226 80	226 80
		<u>(15,624 07)</u>	<u>(15,624 07)</u>
	<b>PREFERENTIAL CREDITORS</b>		
	DE Arrears & Holiday Pay	673 34	673 34
(88 00)	Employee Arrears/Hol Pay	<u>NIL</u>	<u>NIL</u>
		(673 34)	(673 34)
	<b>UNSECURED CREDITORS</b>		
(65,486 00)	Trade & Expense Creditors	NIL	NIL
(6,895 00)	Employees	NIL	NIL
(4,639 00)	H M Revenue & Customs (VAT)	NIL	NIL
(1,120 00)	H M Revenue & Customs (PAYE/NIC)	NIL	NIL
(2,316 00)	H M Revenue & Customs (Corporation	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(100 00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<u>(235,193.00)</u>		<u><u>1,471.07</u></u>	<u><u>1,471 07</u></u>
	<b>REPRESENTED BY</b>		
	Vat Receivable		1,018 05
	Bank 1 Current		453 02
			<u><u>1,471.07</u></u>

**BAUBLES THE JEWELLERS LIMITED –  
IN CREDITORS VOLUNTARY LIQUIDATION**

**LIQUIDATOR'S ANNUAL PROGRESS REPORT AND ACCOUNTS FOR THE  
PERIOD ENDED 24 JUNE 2011 PURSUANT TO THE INSOLVENCY ACT 1986**

I was appointed Liquidator to the above Company at a meeting of members held for the purpose on 25 June 2010, subsequently ratified at a meeting of creditors held on the 25 June 2010. I list below the progress of the administration and attach my receipts and payments account for the period 25 June 2010 to 24 June 2011.

**REALISATION OF ASSETS**

Assets were realised during the period in accordance with the attached receipts and payments account. This also shows the comparison with values of those assets as stated in the Director's Statement of Affairs at the commencement of the Liquidation. I would draw your attention to the following -

***Leasehold Premises***

The Company operated from leasehold premises at 37 Church Street, Blackpool, Lancashire, FY1 1HT, and was in year 6 of a 10 year lease agreement. Having taken advice from my agents, JPS Chartered Surveyors, no value was considered to exist in the lease and steps have been taken to disclaim my interest in it.

It should be noted that prior to my appointment, it was understood that the director had been in communication with the Landlord with a view to attempting to reduce the annual rent which was considered prohibitive and disproportionate in the current economic climate. The director had been unsuccessful in this regard and it was a reason cited as being one of the factors which led to the failure of the business.

In the circumstances, it would not have been considered likely that a prospective tenant would have been willing to pay a premium.

***Fixtures & Fittings***

The Company owned an LCD Monitor, DVD player and a steamer. JPS Chartered Surveyors had valued these assets at a value between £50 and £100.

These assets were sold by my agents by private treaty (i.e. not to a connected party) for £259.57 against the estimated realisable value of £50.

***Stock***

JPS Chartered Surveyors valued the stock prior to the Liquidation for the purposes of supplying a realisable value for the Director's statement of affairs. The value of between £15,400 and £25,000 was attributed to the stock with an estimated realisable value of £15,400 reflecting issues such as retention of title claims from suppliers. A total of seven retention of title claims were received.

The figures had been produced by JPS following their visit to the premises on 23 June 2010

Following my appointment, JPS uplifted the stock. Allowing for retention of title claims, the net realisation is some £17,506.41. All stock has now been sold. The most saleable items of stock were sold via online auction and the remaining stock not considered readily saleable on the open market sold to trade. To my knowledge, no items have been sold to known connected parties.

### ***Inter Company Debt***

As noted in the Section 98 Reports, the Company's accounts to 30 April 2009 showed an amount of £97,842 being due from Selcoe Properties Limited, a connected company by way of shareholders/directors.

I had sought proposals from Selcoe Properties Limited in relation to the repayment of the loan but no proposals were received despite repeated attempts. As a consequence, I instructed my Solicitors, Kennedys, Manchester, to assist with the recovery. Subsequently, through a process of negotiation, Selcoe Properties Limited agreed to sell a number of properties to repay the debt and offered legal charges over those properties to secure the debt pending sale.

This process has proved complex as the properties were already subject to prior charges and therefore the agreement of the prior chargeholders is required. My solicitors have been actively dealing with the registration of the Charges. However, Selcoe Properties Limited have now claimed that the debt is in dispute as it believes the original loan figures had been calculated incorrectly by its former accountants.

The new accountant had agreed to supply figures showing the liability that Selcoe Properties believes exists but despite assurances the matter is in hand no such revised figures have been received challenging the historic accounts. My solicitors have now issued an ultimatum for receipt of any revised figures otherwise litigation will commence on the understanding that the historic accounts filed at Companies House are correct.

At this stage, it remains difficult to estimate the value of funds which will be realised from this source although the matter will be highlighted in future reports.

## **LIABILITIES**

### **Secured Liabilities**

The Company's bankers are The Royal Bank of Scotland Plc. The Director has provided a personal guarantee to The Royal Bank of Scotland Plc in relation to the debt outstanding to them which also includes a Legal Charge on his residential property. As at the 6 July 2010, the Bank was owed some £106,084.50 in relation to a business loan and £37,814.69 in relation to an overdraft. These amounts are subject to accruing interest and charges.

There is a debenture in favour of The Royal Bank of Scotland Plc created on 1 November 1985 and registered on 5 November 1985. The security provides "Fixed and Floating charges over the undertaking and all property and assets present and future including goodwill, book debts, uncalled capital fixtures, fixed plant and machinery".

The Prescribed Part pursuant to Section 176A of the Insolvency Act 1986 does not apply in this matter as the Bank's charge was created prior to 15 September 2003. Therefore, after allowing for the costs of the Liquidation and of Preferential Creditors, the Bank will be entitled to be paid in priority to the claims of unsecured non-preferential creditors.

### **Preferential Creditors**

The Director's Statement of Affairs anticipated £88 as Preferential Creditor claims. Claims totaling £673 have been received from the Redundancy Payments Office in relation to outstanding wages and holiday pay due to employees. First and final dividend was paid to Preferential Creditors of 100p/£ on 18 January 2011.

### **Unsecured Creditors**

The Director's Statement of Affairs included 67 unsecured creditors with an estimated total liability of £252,248.99. I have received claims totaling £86,246.29 although a significant number of claims are outstanding.

However, as a distribution to unsecured creditors remains uncertain, I have so far not chased up claims or agreed those claims received. This will be a matter to progress should it appear likely a dividend will become payable.

A dividend has not been paid to unsecured creditors in this liquidation as the funds realised so far have been used to make payments to Preferential Creditors and to meet the expenses of the liquidation.

### **INVESTIGATION**

My enquiries into the management of the affairs of the Company are now complete and an appropriate report has been submitted to the Secretary of State as required by the Company Directors Disqualification Act 1986.

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved.

In particular, concerns were raised at the Section 98 meeting of creditors that the stock value was exceptionally low and that stock may have been misappropriated. I understand the creditors raising the concern had specific knowledge of the Company's historic stock holding.

I did carry out a review of the Company's stock book but it appeared that it was not up to date. I was asked to carry out a forensic analysis of the Company's purchases and sales to establish whether stock was missing. I concluded given the funds available in the Estate that such a potentially expensive exercise was not economically viable, especially given the absence of any other evidence suggesting stock had been misappropriated.

An invitation was extended to those creditors making the request to provide a fighting fund to provide adequate funds to undertake further enquiries. No such fund was offered. Obviously, if there are any other creditors who would wish to contribute to such costs for the purpose of investigating further the stock holding of the Company, please revert back to me within the next 14 days.

## **RECEIPTS & PAYMENTS**

The Liquidator's Receipts & Payments Account from 25 June 2010 to 24 June 2011 is shown at Appendix 1.

## **LIQUIDATOR'S REMUNERATION**

In accordance with the resolution passed at the creditors meeting held on 25 June 2010, with regard to my costs as Liquidator, I currently have recorded time costs of £9,848.50 plus VAT. The Liquidator has drawn remuneration of £3,000 plus VAT.

For recorded time this equates to a total of 89.20 hours at an average chargeout rate of £110.41 plus VAT per hour. The average rate for costs actually drawn is some £33.63 plus VAT per hour.

A copy of 'A Creditors Guide to Liquidators' Fees' published by the Association of Business Recovery Professionals and 'A Statement of Insolvency Practice 9 (Revised)' together with an explanatory note which shows J M Marriott's fee policy are available at the link <http://www.jmmarriott.co.uk/index.php/rescue-insolvency/guidance-documents-to-download>

A hard copy can be obtained on request by contacting Daniel Finch of my office on 01524 34838.

In addition to the routine work above, I have spent additional exceptional time as follows:

- Assisting with the process of securing repayment of the inter-company loan from Selcoe Properties Limited.
- At the request of creditors attending the Section 98 meeting of creditors, carrying out enquiries in relation to the level of stock held by the Company and whether stock had been misappropriated prior to my appointment.

## **LIQUIDATOR'S EXPENSES**

My expenses amount to £238.24 in relation to Category 2 disbursements of which £234.67 has so far been drawn.

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

Professional Advisor	Nature of Work	Fee Arrangement	Costs paid to date £	Outstanding Costs £
JPS Chartered Surveyors	Valuer/Auctioneer	Time costs plus disbursements costs	5,554 60	Nil
Kennedys	Solicitors	Time costs Time costs plus disbursements costs	2,032.00	2,495 60

NB all costs are quoted net of VAT where applicable

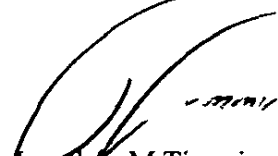
The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances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

#### 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

If creditors have any queries in connection with the report or Liquidation generally, please contact Daniel Finch on 01524 34838



Jonathan M Timmis  
Liquidator

19 July 2011

**APPENDIX 1****BAUBLES THE JEWELLERS LIMITED  
(IN LIQUIDATION)****LIQUIDATOR'S RECEIPTS & PAYMENTS ACCOUNT TO 24 JUNE 2011**

<b>RECEIPTS</b>	<b>Statement of Affairs</b>	<b>Receipts &amp; Payments as at 24 June 2011</b>
	<b>£</b>	<b>£</b>
<b>RECEIPTS</b>		
Leasehold Property (1)	NIL	0.00
Fixtures & Fittings	50 00	259 57
Stock	15,400 00	17,506.41
Inter-Company Debt	1 00	0 00
Bank Interest Net of Tax		2 50
Vat Receivable		1,818 41
Vat Payable		<u>3,109 04</u>
		<u>22,695.93</u>
<b>PAYMENTS</b>		
Specific Bond		50 00
Statement of Affairs Fee		4,500.00
Office Holder's Fees		3,000 00
Office Holders Expenses		234 67
Agents/Valuers Fees (1)		5,554 60
Legal Fees (1)		2,032 00
Re-Direction of Mail		26 00
Statutory Advertising		226 80
DE Arrears & Holiday Pay		673 34
Vat Receivable		2,836 46
Vat Payable		<u>3,109 04</u>
		<u>22,242.91</u>
<b>BALANCE - 24 June 2011</b>		<u><b>453.02</b></u>



# APPENDIX 2

## BAUBLES THE JEWELLERS LIMITED - IN LIQUIDATION LIQUIDATOR'S DETAILED TIME RECORDS

	<u>Office Holder</u>	<u>Senior Manager</u>	<u>Manager</u>	<u>Supervisor</u>	<u>Senior Admin</u>	<u>Administrato r/Cashier</u>	<u>Hours</u>	<u>Amount</u>	<u>Average Rate</u>
Chargeout Rates	£210.00	£180.0	£145.00	£120.00	£110.0	£85.00			
From 25/06/2010 to		0			0				
19/07/2011									
A1 - Asset	3 20	0 00	4 70	4 90	0 00	0 00	12 80	£1,810 00	
Realisation									
A2 - Administration	0 00	0 00	0 00	0 90	0 50	5 30	6 70	£588 00	
& Planning									
C1 - Creditors	0 30	3 00	3 00	6 70	2 00	26 30	41 30	£4,200 00	
C2 - Cashiering	0 70	0 00	0 00	0 00	0 00	2 30	3 00	£336 50	
F1 - Fixed Charge	0 00	0 00	0 40	0 00	0 00	0 00	0 40	£58 00	
Realisation									
S2 - Statutory	1 30	0 00	4 60	3 40	2 00	4 50	15 80	£1,749 00	
Compliance									
V1 - Investigation	0 80	0 00	5 50	1 30	0 00	1 60	9 20	£1,107 00	
	<b>6.30</b>	<b>3.00</b>	<b>18.20</b>	<b>17.20</b>	<b>4.50</b>	<b>40.00</b>	<b>89.20</b>	<b>£9,848.50</b>	<b>£110.41</b>

# APPENDIX 3

## BAUBLES THE JEWELLERS LIMITED - IN LIQUIDATION SCHEDULE OF PREFERENTIAL AND UNSECURED NON\_PREFERENTIAL CREDITOR CLAIMS

Name	S of A £	Claim Received £
Annagee Limited	2,837 93	0 00
ADT Fire & Security	227 14	0 00
American Express	438 65	350 59
Alfred Terry	750.07	183 11
Absolute Invoice Finance	43.13	0 00
A G T Thomas	1 00	0 00
American Express Services Europe Ltd	1 00	0 00
B & S Aminoff	314 31	314 31
Lee Baron	13,144 55	20,275 80
Brown & Newirth	709 72	0 00
Blackpool Council Business Rates	1 00	15,953 49
Citizen Watch UK Limited	1,672 23	1,672 23
CMR Jewellery Limited	4,470 48	0 00
Superior Wedds	2,562 95	3,935 06
C W Sellors	277 08	116 66
Charms UK Limited	1 00	0 00
Capital One Bank (Europe) plc	0 00	0 00
Domino Jewellery	626 73	1,480 99
Emarno	417 75	417 75
Fossill UK Limited	893 87	0 00
Gema UK	687 09	0 00
Hanron Jewellery Limited	139 18	139 18
Hathaway and Muddiman Limited	158.63	158 63
Hanalex	259 98	232 60
Han-Goldwyn Limited	9,511 44	9,280 88
HMRC (VAT)	4,639 14	8,733 14
HMRC (PAYE/NIC)	1,120 05	1,362.40
HMRC - Corporation Tax	2,316 03	0 00
International Bullion	3,347 67	1,249 64
Jones Harris Chartered Accountant	4,216 23	3,716 23
K & R Manufacturing Limited	123 96	123 96
Leslie Donn Limited	1,455.88	1,155 88
Laurel Jewellery Limited	1,076.20	1,076 20
Moissanite UK	810 19	810 19
McCourts Jewellery	660 10	660 10
MGS Distribution Limited	1,107 59	2,170 90
Mistal Time	16 46	0 00
Mr D Milroy	0 00	145.00
N Vogel & Sons Limited	786 11	1,997 50
One Bill Telecom	119 88	119 88

Prism Jewellery Design Ltd	610 00	610 51
Potters (London) Limited	1,851 56	1,851 56
PaleBlack Designs Limited	267 96	0 00
Perfection Jewellery Limited	3,973.01	0 00
R E Morrish	1,239 98	1,239 98
Rotary Watches Limited	50 28	50 28
Robert Paul Adams Designs	1 00	0 00
Restons Solicitors Limited	350 59	0 00
Richburns Limited	567 08	0 00
Seiko UK Limited	1,005 28	1,005 28
Swico Limited	109 86	0 00
Swatch Group UK	123 59	0 00
Mrs C A Selcoe	1 00	0 00
Scottish Power	58 80	0 00
Scottish Power Group	487 70	487 70
T A Durant Limited	445 64	0 00
T H March & Co Limited	132 28	0 00
Timpson Limited	63 00	271.00
The Wedding Ring Company	709.72	709 72
The Royal Bank of Scotland	170,000 00	0 00
The Dreyfuss Group	0 00	0 00
United Utilities	72 54	13 98
Viking Direct	45 46	45 46
Wedding Bands Limited	1,157 06	2,128 52
Young & Pearce Solicitors	0 00	0 00
Ms D Traynor	2,485 00	0 00
Ms V Brown	4,498 20	0 00
	<u>252,248.99</u>	<u>86,246.29</u>