

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

02032745

Name of Company

(a) Insert full name of company

(a) **Richard Cort Limited**

(b) Insert name(s) and address(es) of liquidator(s)

I/We (b) **David R Acland**
Begbies Traynor (Central) LLP
1 Winckley Court
Chapel Street
Preston
PR1 8BU

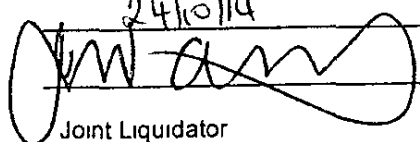
Begbies Traynor (Central) LLP

the Liquidator(s) of the company attach a copy of my/our ~~Progress Report~~ statement of receipts and payments under Section 192 of the Insolvency Act 1986

The ~~Progress Report~~ statement of receipts and payments covers the period from 22 April 2014 to 21 October 2014

Dated

Signed

24/10/14


Joint Liquidator


Name in
BLOCK LETTERS

DAVID R ACLAND

Presenter's name,
address and reference
(if any)

RI101CVL
Richard Cort Limited

David R Acland
Begbies Traynor (Central) LLP
1 Winckley Court
Chapel Street
Preston
PR1 8BU

For Official Use	
Liquidation Section	Post Room
THURSDAY	
A15	*A3K3N9WB* 06/11/2014 #404 COMPANIES HOUSE

Statement of Receipts and Payments under section 192 of the Insolvency Act 1986

Name of Company Richard Cort Limited

Company Registered Number 02032745

State whether members' or creditors' voluntary winding up Creditors

Date of commencement of winding up 22 October 2012

Date to which this statement is brought down 21 October 2014

Name and Address of Liquidator

David R Acland
1 Winckley Court
Chapel Street
Preston
PR1 8BU

NOTES

You should read these notes carefully before completing the forms. The notes do not form part of the return to be sent to the registrar of companies

Form and Contents of Statement

(1) Every statement must contain a detailed account of all the liquidator's realisations and disbursements in respect of the company. The statement of realisations should contain a record of all receipts derived from assets existing at the date of the winding up resolution and subsequently realised, including balance at bank, book debts and calls collected, property sold etc., and the account of disbursements should contain all payments of costs, charges and expenses, or to creditors or contributories. Receipts derived from deposit accounts and money market deposits are to be included in the 'balance at bank'. Only actual investments are to be included in the 'amounts invested' section in the analysis of balance on page 5 of the form. Where property has been realised, the gross proceeds of sale must be entered under realisations and the necessary payments incidental to sales must be entered as disbursements. A payment into the Insolvency Services Account is not a disbursement and should not be shown as such, nor are payments into a bank, building society or any other financial institution. However, the interest received on any investment should be shown in the realisations. Each receipt and payment must be entered in the account in such a manner as sufficiently to explain its nature. The receipts and payments must severally be added up at the foot of each sheet and the totals carried forward from one account to another without any intermediate balance, so that the gross totals represent the total amounts received and paid by the liquidator respectively.

Trading Account

(2) When the liquidator carries on a business, a trading account must be forwarded as a distinct account, and the total of receipts and payments on the trading account must alone be set out in this statement.

Dividends

(3) When dividends, instalments of compositions, etc. are paid to creditors or a return of surplus assets is made to contributories the total amount of each dividend, etc. actually paid, must be entered in the statement of disbursements as one sum, and the liquidator must forward separate accounts showing in lists the amount of the claim of each creditor, and the amount of dividend, etc. payable to each creditor or contributory.

(4) When unclaimed dividends, etc. are paid into the Insolvency Services Account, the total amount so paid in should be entered in the statement of disbursements as one sum. The items to be paid in relation to unclaimed dividends should first be included in the realisations side of the account.

(5) Credit should not be taken in the statement of disbursements for any amount in respect of liquidator's remuneration unless it has been duly allowed by resolutions of the liquidation committee or of the creditors or of the company in general meeting, or by order of the court as the case may require, or is otherwise allowable under the provisions of the Insolvency Rules.

Liquidator's statement of account
under section 192 of the Insolvency Act 1986

Realisations			
Date	Of whom received	Nature of assets realised	Amount
		Brought Forward	29,437 28
06/05/2014	HM Revenue & Customs	Vat Control Account	16 92
02/06/2014	Int 03/03-01/06/2014	Bank Interest Gross	11 15
04/09/2014	HMCS - 18/8/14	Sundry Refunds	8 01
08/09/2014	int to 7/9/14	Bank Interest Gross	12 03
Carried Forward			29,485 39

NOTE No balance should be shown on this account but only the total realisations and disbursements which should be carried forward to the next account

Disbursements			
Date	To whom paid	Nature of disbursements	Amount
		Brought Forward	14,529 10
Carried Forward			14,529 10

NOTE No balance should be shown on this account but only the total realisations and disbursements which should be carried forward to the next account

Analysis of balance

Total realisations
Total disbursements

	£
	29,485 39
	14,529 10
Balance £	14,956 29
	0 00
	14,956 29
	0 00
	0 00
	0 00
	0 00
	14,956 29

This balance is made up as follows

- 1 Cash in hands of liquidator
- 2 Balance at bank
- 3 Amount in Insolvency Services Account

- 4 Amounts invested by liquidator
Less The cost of investments realised
Balance
- 5 Accrued Items

Total Balance as shown above

NOTE - Full details of stocks purchased for investment and any realisation of them should be given in a separate statement

The Liquidator should also state -

- (1) The amount of the estimated assets and liabilities at the date of the commencement of the winding up

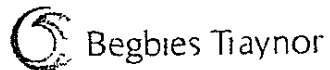
	£
Assets (after deducting amounts charged to secured creditors including the holders of floating charges)	0 00
Liabilities - Fixed charge creditors	0 00
Floating charge holders	0 00
Preferential creditors	0 00
Unsecured creditors	0 00
- (2) The total amount of the capital paid up at the date of the commencement of the winding up -

Paid up in cash	0 00
Issued as paid up otherwise than for cash	0 00
- (3) The general description and estimated value of any outstanding assets (if there is insufficient space here, attach a separate sheet)

Potential VAT claim
- (4) Why the winding up cannot yet be concluded

As above
- (5) The period within which the winding up is expected to be completed

Uncertain



Richard Cort Limited (In Creditors' Voluntary Liquidation)

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

Period. 22 October 2013 to 21 October 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"	Richard Cort Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The Company moving into creditors' voluntary liquidation from administration pursuant to Paragraph 83 of Schedule B1 to the Act
"the liquidators", "I", "me" and "my"	David Acland of Begbies Traynor (Central) LLP, 1 Winckley Court, Chapel Street, Preston, PR1 8BU
"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"	<ul style="list-style-type: none">(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)	Richard Cort Limited
Company registered number	02032745
Company registered office	1 Winckley Court, Chapel Street, Preston, PR1 8BU
Former trading address	Manchester Road, Blackford Bridge, Bury, BL9 9ST

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	22 October 2012
Date of liquidators' appointment	22 October 2012
Changes in liquidator (if any)	None

4 PROGRESS DURING THE PERIOD COVERED BY THIS REPORT

This report should be read in conjunction with the Liquidator's first progress report issued on 18 December 2013 along with the reports circulated during the course of the Administration

Attached at Appendix 1 is our abstract of receipts and payments for the period from 22 October 2013 to 21 October 2014

VAT Compound Interest Claim

The VAT People (previously Barnard Atkins) and Pinsent Masons (previously McGrigors) are continuing to assist the Liquidator on behalf of the Company and Richard T Cort (Holdings) Limited ("RCHL") to pursue an action known as the Compound Interest Project ("CIP"). The principal issue, to determine whether or not taxpayers are entitled to compound interest, is still being determined. The issue surrounding statutory limits has previously been resolved.

Correspondence received in April 2014 confirms that the CIP is currently stayed pending the outcome of an appeal involving the Littlewoods group of companies. However, the letter confirmed that the High Court has issued its verdict in the latest round of the Littlewoods litigation.

In a detailed judgement the Court ruled that as a principal of EU Law a taxpayer is entitled to the repayment of compound interest following a claim for VAT that has been overpaid as a result of a mistake by HM Revenue & Customs ("HMRC").

Although this is good news, the matter is unlikely to be resolved in the near future. HMRC has already stated that it will appeal the decision made by the High Court and thus it is possible that the decision on the 'entitlement' point will be overturned. In addition, and more importantly for the Company, the Littlewoods litigation has proceeded on the premise that entitlement to compound interest is given effect in the High Court and not the VAT Tribunal. As previously reported, the Courts have already decided that motor dealers are not able to lodge claims via the High Court as the relevant time limits expired some time ago and therefore the motor dealers CIP litigation is proceeding via the VAT Tribunal.

In view of the above, even if the Littlewoods decision is maintained, it will be necessary to seek confirmation from the Court that a compound interest remedy can be given effect in the VAT Tribunal as well as the High Court. The CIP will seek to address this point and the next steps in this litigation are being considered.

Receipts

Sundry Refunds

The sum of £48.06 has been received from HM Court Services in respect of commissions awarded to the Company during the period. Total realisations since the date of appointment amount to £74.75.

Bank Interest Gross

The sum of £45.56 has been received during the period, bringing total realisations to £84.25 in the Liquidation. Corporation tax will be payable on this sum.

Payments

Professional Fees

The sum of £1,000 plus VAT has been paid to the Company's former accountant, CLB Coopers, for the production of accounts in respect of the dormant subsidiary companies which form part of the CIP action. These companies are held under the Group VAT registration and therefore it is necessary to avoid any action to strike off whilst the CIP is ongoing.

Corporation Tax

The sum of £9.04 has been paid to HM Revenue & Customs in respect of Corporation Tax due for the period 22 October 2012 to 21 October 2013.

Statutory Advertising

The sum of £84.60 plus VAT was paid to Court Advertising Limited to cover the costs to advertise the creditors meeting held on 22 January 2014 in the London Gazette.

5 ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the Administrators' statement of proposals and previous progress reports.

Secured creditor

The indebtedness due to the secured creditors namely Yorkshire Bank plc ("the Bank"), Black Horse Limited ("BH") and Advantage Transitional Bridge Fund Limited ("ATBF") was repaid in full following the sale of the two properties owned by Richard T Cort (Holdings) Limited during the course of the Administration.

Preferential creditors

Preferential claims totalling £26,046 were repaid in full during the course of the Administration. No further claims have been received.

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

Details of how the prescribed part for unsecured creditors is calculated were provided by the former administrators.

Based on realisations to date, I do not expect there to be sufficient funds available from the floating charge assets after the costs of the Liquidation. Therefore the estimated value of the Company's net property, as defined in Section 176A(6) of the Act, is £nil and the prescribed part of the Company's net property is £nil.

Unsecured creditors

As detailed in our previous reports, the outcome for the unsecured creditors is wholly dependent on the success of the CIP action (see Section 4). Therefore, any level of return to the unsecured creditors is uncertain at this stage.

6. REMUNERATION & DISBURSEMENTS

My remuneration has been fixed by a resolution of creditors at a meeting held on 22 January 2014 by reference to the time properly given by me (as liquidator) and the various grades of my staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the liquidation and I am authorised to draw disbursements, including disbursements for services provided by my firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with my firm's policy, details of which are attached at Appendix 2 of this report.

My time costs for the period from 22 October 2013 to 21 October 2014 amount to £6,954.50 which represents 35.80 hours at an average rate of £194.26 per hour.

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

- ☐ Table of time spent and charge-out value for the period 22 October 2013 to 21 October 2014
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

No funds have been drawn on account of my remuneration or disbursements, against total time costs of £12,460.50 incurred since the date of our appointment.

In addition to the table of time spent by me and my staff in attending to matters arising in the liquidation for the period covered by this progress report, a cumulative table of time spent and charge out value for the period from 22 October 2012 to 21 October 2014 and a description of the work undertaken by me and my staff since my appointment (contained in the narrative summary of time costs incurred) is also attached at Appendix 2.

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. Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy.

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

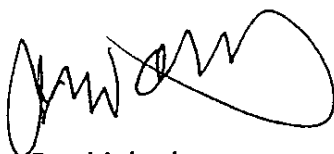
The CIP is ongoing and I propose to remain in office until this matter is decided. I await further updates from our advisors on their progress in due course.

9. CREDITORS' RIGHTS

Pursuant to Rule 4.131 of the Rules, any creditor of the Company may, with the concurrence of at least 25% in value of the creditors (including that creditor), apply to the court for an order that our remuneration be reduced, on the grounds that it is, in all the circumstances, excessive

10. CONCLUSION

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

A handwritten signature in black ink, appearing to read 'David Acland', with a large, sweeping loop at the end.

David Acland
Liquidator

Dated 4 November 2014

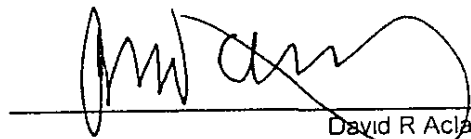
APPENDIX 1

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 22 October 2013 to 21 October 2014

**Richard Cort Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments**

Statement of Affairs	From 22/10/2013 To 21/10/2014	From 22/10/2012 To 21/10/2014
ASSET REALISATIONS		
Book Debts	NIL	16 02
Sundry Refunds	48 06	58 73
Bank Interest Gross	45 56	84 25
Cash balance from Administrator	NIL	22,125 43
VAT balance from Administrator	NIL	2,604 15
	<u>93 62</u>	<u>24,888 58</u>
COST OF REALISATIONS		
Debt Collection Fee	NIL	9,762 15
Professional Fees	1,000 00	1,000 00
Corporation Tax	9 04	9 04
Statutory Advertising	84 60	161 10
	<u>(1,093 64)</u>	<u>(10,932 29)</u>
	<u>(1,000 02)</u>	<u>13,956 29</u>
REPRESENTED BY		
Vat Receivable		200 00
Bank 2 Current		13,756 29
		<u>13,956 29</u>


 David R Acland
 Liquidator

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 Table of time spent and charge-out value for the period from 22 October 2013 to 21 October 2014,
- d Cumulative table of time spent and charge-out value for the period from 22 October 2012 to 21 October 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 guidance¹ 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 and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. Best practice guidance² 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)

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) 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 disbursement*) 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,

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

(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

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 Preston office as at the date of this report are as follows

	Standard 1 May 2011 – until further notice Regional
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee 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.

[illegible]

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Professional Fees	CLB Coopers	1,000 00	1,000 00	
Statutory advertising	Court Advertising Limited	84 60	84 60	
Postage	Royal Mail	417 04		417 04