

Rule 4.49C The Insolvency Act 1986

**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

**02103354**

Name of Company

(a) Insert full  
name of  
company**(a) G.T. MORGAN & COMPANY LIMITED**(b) Insert full  
name(s) and  
addresses(s)

I (b)  
Joseph Gordon Maurice Sadler  
Elwell Watchorn & Saxton LLP  
Cumberland House  
35 Park Row  
Nottingham NG1 6EE

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 23 March 2016 to 22 March 2017.

Signed



Date 12 April 2017

Joseph Gordon Maurice Sadler

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

Joseph Gordon Maurice Sadler  
Elwell Watchorn & Saxton LLP  
Cumberland House  
35 Park Row  
Nottingham NG1 6EE

**For Official Use**Liquidation  
Section

Post Room

WEDNESDAY



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COMPANIES HOUSE

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12 April 2017

**TO ALL MEMBERS & CREDITORS**

Dear Sirs

**G.T. MORGAN & COMPANY LIMITED  
IN CREDITORS VOLUNTARY LIQUIDATION****Company number: 02103354****Office holder(s): Joseph Gordon Maurice Sadler****Date of appointment: 23 March 2015****Previous Registered Office: Desford Lane, Kirby Muxloe, Leicester LE9 9BF****Registered Office: Cumberland House, 35 Park Row, Nottingham NG1 6EE**

In accordance with Rule 4.49C of the Insolvency Rules 1986 (as amended), I write to provide all members and creditors of the company with an account of my acts and dealings and of the conduct of the winding-up for the period 23 March 2016 to 22 March 2017. This report should be read in conjunction with my previous report dated 20 April 2016.

I enclose the following documentation for your information:-

- a) Liquidator's receipts and payments account.
- b) Schedule of liquidator's remuneration and disbursements.

***Asset realisations***

The overall asset realisations are generally higher than originally anticipated on the estimated statement of affairs as at 23 March 2015. This is attributable to greater than anticipated realisations from book debts and tangible assets.

***Cash in Hand and at Bank***

Cash balances were duly realised as per my previous report.

***Tangible Assets***

All tangible assets were realised as per my previous report.

***Debtors***

Debtor receipts in the period were £2,905.29 which brings total receipts to £485,046.55. My quantity surveyor is working with Messrs Actons, solicitors, of Nottingham, regarding one contract debt and retention with an estimated to realise value of £23,836. In order to avoid prejudicing any prosecutions I will not comment on the likelihood of recovery at this stage, save to say it would prudent to assume no further realisations for the benefit of the liquidation estate.

***Miscellaneous Receipts***

Funds were placed in a Treasury Deposit account which has yielded bank interest in the period of £6,982.84. A dividend cheque was sent to a creditor and an agent acting for the creditor. This duplicated payment has been returned to the estate bank account for the benefit of any future distribution.

**Fixed and Floating Charge Creditors**

There were no secured creditors of the company.

**Preferential creditors**

As previously advised preferential creditors of £27,302.58 were repaid in full on 03 November 2015.

**Non-preferential creditors**

*Crown creditors* - The following non preferential claims have been received to date from the crown creditors:-

	Per statement of affairs	Actual
	£	£
HM Revenue & Customs – VAT*	128,069	124,327.80
HM Revenue & Customs – PAYE and NIC	144,626	149,958.64
Redundancy Payments Office – Statutory Liabilities	377,313	309,654.88
	<u>650,008</u>	<u>583,941.32</u>

\*Once the position as regards the final realisations from book debts and contract retentions is known the company's VAT bad debt provision will be reviewed

**Non-preferential creditors and distribution**

The total value of non-preferential creditors on the estimated statement of affairs was £2,661,838 and I confirm that claims have been agreed totalling the sum of £2,588,163.71. I declared a first distribution of 20 pence in the pound on agreed claims on 24 October 2016. Current evidence suggests here is the prospect of a second and final distribution estimated to be in the order of six pence in the pound however this is subject to the final book debt and contract retention realisations. Regrettably I am unable to predict the timing of the distribution but I am hopeful that it will be within the next six to eight months. In summary, non preferential claims in this matter totalled £2,661,838 on the estimated statement of affairs, formal claims have been received in the total sum of £2,588,163.71 and £517,632.74 has been distributed to this class of creditor.

**Further work undertaken**

I have continued to realise the assets of the company and liaised with my agents and solicitors as appropriate.

I have also agreed the claims of the non preferential creditors and declared a dividend of 20p in the £ on 24 October 2016. I have dealt with queries raised by creditors as they have arisen.

Additionally, I have discharged my statutory duties as Liquidator in the day to day matters associated with the case. The appointee is bound by the Insolvency Code of Ethics when carrying out work relating to the insolvency appointment.

**Outstanding matters**

In summary, the following key matters remain outstanding:-

- to realise the remaining book debts and contract retentions
- to declare a second and final distribution to the non-preferential creditors subject to favourable assets realisations and the costs of the liquidation

**Liquidator's remuneration**

The creditors previously approved a statement of affairs fee of £15,000 plus VAT. The initial creditors' meeting passed a resolution that the liquidator's remuneration be fixed on the basis of time costs properly incurred in attending to matters arising in the liquidation. I enclose a schedule which provides details of the time costs incurred and the liquidator's disbursements. To date, the liquidator has drawn £50,000 plus VAT on account and details are provided on the attached schedule.

A guide to help creditors understand the law and their rights in relation to an insolvency process can be found at:-

<http://www.creditorinsolvencyguide.co.uk>

Additional information regarding how the liquidator will be paid can be downloaded at:-

Alternatively, a Creditor may obtain a printed copy by contacting this office directly.

**Professional advisers engaged by the liquidator**

I have instructed the following professional advisers to assist with the administration and progression of the case. The choice of adviser is based on their relevant experience and ability to perform this type of work, the nature and complexity of the specific assignment and the basis of the fee arrangement negotiated.

Adviser/Organisation	Service provided	Reason selected	Basis of fees	Fees paid this reporting period
Actons Solicitors	Legal advice regarding debtors	Sector knowledge and experience	Time costs	£1,288.00
Andrew & Ashwell	Chartered surveyor services	Sector knowledge and experience	Fixed fee	£1,750.00
Aon UK Limited	Insurance	Sector knowledge and experience	Fixed premium	£nil
Clumber Consultancy Limited	Pensions advice	Specialist knowledge	Fixed fee	£nil
Eddisons Commercial Limited	Valuation services	Sector knowledge and experience	% of realisations	£nil
Leslie Keats LLP	Debt recovery services	Relevant knowledge and experience	% realisations	£7,526.72
Mark J Rees LLP	Accountancy	Client knowledge and experience	Fixed fee	£nil
				£10,564.72

- \* I engaged Actons, solicitors, of Nottingham, to review, in conjunction with my quantity surveyor, the contract documentation in respect of an outstanding book debt retention. Fees to date amount to £1,288.00 and since this matter is ongoing a further provision has been made in the sum of £1,000.00
- \* I instructed Andrew & Ashwell, chartered surveyors, of Leicester, to review the claim submitted by the landlord. The final agreed fee was £1,750.00.
- \* It was necessary to protect the company's chattels in the run-up to the on-site auction and also to provide public liability cover for viewings. Aon UK Limited provided the cover for a fee of £1,368.75.
- \* Clumber Consultancy Limited was engaged to discharge the statutory duties of the liquidator as regards the company's pension affairs. The final agreed fee was £1,550.00.
- \* The services of Eddisons Commercial Limited were engaged to value the assets of the company and to provide the necessary report for the preparation of the statement of affairs. They also orchestrated an on-site auction for the tangible assets. The final fee rendered was £40,990.00.
- \* Lelsie Keats LLP was engaged to collect the book debts and contract retentions on a 15% of realisations commission basis. Debt collection remains ongoing. The fees paid to date are £73,423.56.
- \* The services of Mark J Rees LLP were engaged to compile financial statements to the cessation of trading and to review the corporation tax position. The agreed fee was £6,407.60.

The liquidator is satisfied that fees charged are considered reasonable in the circumstances of the case.

***Declaration regarding treatment of VAT and accruals***

In accordance with Statement of Insolvency Practice 7, all entries are shown net of VAT, with VAT recorded on a separate line. The receipts and payments account discloses all receipts and payments in the reporting period. However, there may be additional accrued expenditure due in respect of storage of company records and postage, stationery, telephone, mileage and external disbursements. These charges will be drawn upon case closure in accordance with the resolution already approved by creditors.

***Disclaimer***

This report has been circulated for the sole purpose of providing creditors with an update for information purposes only to fulfil the necessary statutory requirement. The contents are private and confidential and may not be relied upon, referred to, reproduced in whole or in part or otherwise used by creditors for any purpose other than providing an update for them for information purposes, or by any other person for any purpose whatsoever.

Yours faithfully

A handwritten signature in black ink, appearing to read 'J G M Sadler', with a stylized flourish at the end.

J G M Sadler

Liquidator

Licensed in the United Kingdom to act as an insolvency practitioner  
by the Association of Chartered Certified Accountants

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**Receipts and Payments: GTM01 -**
**G.T. MORGAN & COMPANY LIMITED IN CREDITORS VOLUNTARY**

Bank, Cash and Cash Investment Accounts: From: 23 March 2016 To: 22 March 2017

SOA Value		23 March 2016 to 22 March 2017	Total to 22 March 2017
£		£	£
	<b>ASSET REALISATIONS</b>		
0	Bank Interest Gross	6,982.84	7,056.19
103,767	Cash at Bank on Appointment	0.00	103,803.79
166,824	Cash on Hand	0.00	166,824.45
350,000	Debtors (Pre-Appointment)	2,905.29	485,046.55
0	Dividend Overpayment	603.67	603.67
0	Insurance premium refund	0.00	10,821.55
0	Pension contributions refund	0.00	180.40
0	Rates Refund	0.00	879.91
0	Road Licence Refund	0.00	1,174.16
100,000	Tangible Fixed Assets	0.00	198,539.00
720,591		10,491.80	974,929.67
	<b>COST OF REALISATIONS</b>		
0	Accounting Fees	0.00	(6,407.60)
0	Agents / Valuers Fees	(1,750.00)	(42,740.00)
0	Appointee Disbursements	(12.60)	(114.30)
0	Appointee Disbursements (Pre-appointment)	0.00	(115.20)
0	Appointee Fees	(25,000.00)	(50,000.00)
0	Clearance of Company Records	0.00	(170.00)
0	Corporation Tax	(14.60)	(14.60)
0	Debt Collection Fees	(7,526.72)	(73,423.56)
0	Document Hosting	(22.00)	(44.00)
0	Insolvency Bond	(384.00)	(1,200.00)
0	Insurance	0.00	(1,368.75)
0	Legal Fees	(1,288.00)	(1,528.00)
0	Other Property Expenses	0.00	(119.11)
0	Pension Contributions Refunded	0.00	(23.54)
0	Pension Matters	0.00	(1,550.00)
0	Postage	0.00	(15.58)
0	Preparation of Statement of Affairs	0.00	(15,000.00)
0	Property - Rates	0.00	(3,040.58)
0	Property - Rent	0.00	(14,583.35)
0	Property Waste Management	0.00	(1,032.28)
0	Statutory Advertising	0.00	(338.40)
0	Storage Costs	(337.87)	(865.45)
0		(36,335.79)	(213,694.30)
	<b>PREFERENTIAL CREDITORS</b>		
(21,450)	Holiday Pay	0.00	(21,272.79)
0	Other Claims	0.00	(21.93)
(5,222)	Wages	0.00	(6,007.86)
(26,672)	First and final distribution of 100p in the £ 03 November 2015	0.00	(27,302.58)
	<b>UNSECURED CREDITORS</b>		
0	Department of Employment	(61,930.98)	(61,930.98)
(147,162)	Directors' loan accounts	(42,432.34)	(42,432.34)
(377,313)	Employees	(392.27)	(392.27)
(272,695)	HM Revenue and Customs	(54,857.29)	(54,857.29)
(1,864,668)	Trade and Expense Creditors	(358,019.86)	(358,019.86)
(2,661,838)	First distribution of 20p in the £ on 24 October 2016	(517,632.74)	(517,632.74)
	<b>EQUITY</b>		
(5)	£0.01 Ordinary A-E non voting shares	0.00	0.00
(4,500)	£0.01 Ordinary F non voting shares	0.00	0.00
(5,495)	£0.01 Ordinary voting shares	0.00	0.00
(1,977,919)		0.00	0.00
	<b>REPRESENTED BY</b>		
	Current Account - Interest bearing		209,504.51
	Payables		99.54
	VAT Receivable (Payable)		6,696.00
			216,300.05
			216,300.05

**G.T. MORGAN & COMPANY LIMITED  
IN CREDITORS VOLUNTARY LIQUIDATION**

**SCHEDULE OF LIQUIDATOR'S REMUNERATION AND DISBURSEMENTS**

***Firm's charging policy***

It is the firm's policy that all staff involved on an assignment will record all time spent on dealing with matters arising on that client and that the time will be categorised to show the type of activity carried out. The charge out rates of licensed insolvency practitioners, directors and managers do not therefore include provisions for time spent by secretaries, cashiers and support staff. From 1 October 2015, additional categories of staff activity have been introduced to facilitate more detailed reporting where it is appropriate to do so.

The time cost to the estate is calculated by multiplying the time spent by the individual by their charge-out rate. Time is recorded in units of 6 minutes, with 10 units making up each hour of time spent. Charge-out rates are reviewed annually and are subject to change without prior notice. Full details of the rates applied to a specific case are available on application.

The charge-out rates of the persons involved in this case from commencement to the current time are as follows:-

	<b><i>Charge-out rate at commencement (up to £ per hour)</i></b>	<b><i>Increase October 2016 (up to £ per hour)</i></b>
Licensed Insolvency Practitioner	195.00	225.00
Director / Senior Manager	165.00	175.00
Manager	135.00	150.00
Other professionals	105.00	135.00
Administrative staff	45.00	65.00

\* In October 2016, the Firm increased the charge out rates of all grades of staff as detailed in the above table. In addition, specific individual staff members who may have duties associated with this case, moved charging grade.

A guide to help creditors understand the law and their rights in relation to an insolvency process can be found at:-

<http://www.creditorinsolvencyguide.co.uk>

Additional information regarding how the Insolvency Practitioner will be paid can be downloaded under "Fees" at:-

<https://www.r3.org.uk/what-we-do/publications/professional/fees>

Alternatively, a creditor may obtain a printed copy by contacting this office directly.

***Liquidator's remuneration***

The fee agreed and paid for the preparation of the statement of affairs and convening the meetings of members and creditors was £15,000. In relation to the liquidator's remuneration, the first meeting of creditors resolved that the liquidator's fees be fixed by reference to the time properly spent by the liquidator and his staff in attending to matters arising in the winding-up. The liquidator has ensured that case assignments have been carried out by appropriate grades of staff. The time costs during the course of my administration for the period covered by this report are summarised below:-

<b><i>Work category</i></b>	<b><i>Licensed Insolvency Practitioner</i></b>	<b><i>Director/ Senior Manager hours</i></b>	<b><i>Manager hours</i></b>	<b><i>Professional staff hours</i></b>	<b><i>Admin staff hours</i></b>	<b><i>Total hours</i></b>	<b><i>Time cost £</i></b>	<b><i>Average hourly rate £</i></b>
Administration (inc statutory reporting)	3.2	0.5	9.9	32.0	5.9	51.5	5,311.00	103.13
Investigations	1.2	-	-	-	-	1.2	234.00	195.00
Realisation of assets	5.9	-	2.7	-	-	8.6	1,606.50	186.80
Creditors (claims and distribution)	32.0	0.6	44.3	1.6	0.4	78.9	13,018.00	164.99
<b><i>Totals</i></b>	<b><i>42.3</i></b>	<b><i>1.1</i></b>	<b><i>56.9</i></b>	<b><i>33.6</i></b>	<b><i>6.3</i></b>	<b><i>140.2</i></b>	<b><i>20,169.50</i></b>	<b><i>143.86</i></b>

The total time costs during the course of my administration to the end of the current reporting period are summarised below:-

<b>Work category</b>	<b>Licensed Insolvency Practitioner</b>	<b>Director/ Senior Manager hours</b>	<b>Manager hours</b>	<b>Professional staff hours</b>	<b>Admin staff hours</b>	<b>Total hours</b>	<b>Time cost £</b>	<b>Average hourly rate £</b>
Administration (inc statutory reporting)	19.3	3.8	42.3	117.9	7.5	190.8	21,492.50	112.64
Investigations	25.8	0.4	4.7	-	-	30.5	5,665.50	185.75
Realisation of assets	38.9	-	20.3	-	-	59.2	10,417.50	175.97
Creditors (claims and distribution)	57.4	1.5	91.0	17.4	0.4	167.7	25,859.00	154.20
<b>Totals</b>	<b>141.4</b>	<b>5.3</b>	<b>158.3</b>	<b>135.3</b>	<b>7.9</b>	<b>448.2</b>	<b>63,434.50</b>	<b>141.53</b>

Liquidator's remuneration in the sum of £25,000, £20,833.33 and £4,166.67 has been drawn on account on 18 September 2015, 15 December 2016 and 18 January 2017 in accordance with a resolution passed at the first meeting of creditors.

#### **Liquidator's disbursements**

The disbursements drawn to date can be summarised as follows:-

Category 1, disbursements not requiring approval represent a re-charge to the estate for direct costs, payable to independent third parties, specifically incurred in the administration of the estate. In certain instances these costs were initially met from the firm's resources due to the lack of funds available at the time that payment was due.

Category 2, disbursements requiring approval, represent a charge to the estate for the costs incurred by the firm specifically in relation to the estate. The first meeting of creditors resolved that payment shall be made in respect of Category 2 disbursements as follows:-

- External disbursements will be recharged at cost.
- The in house storage of books and records will be charged at the rate of £1 per archive box per month for the duration of the liquidation period plus fifteen months in addition to the cost of boxes and ultimate confidential destruction.
- Mileage will be charged at up to 45p per mile.
- Postage, stationery and telephone are recharged at the rate of £2 per letter and £3 per copy of report in addition to the cost of postage.

The Category 2 disbursements to date are as follows:-

<b>Nature of Disbursement</b>	<b>Paid in current period £</b>	<b>Total paid to period end £</b>	<b>Specific Accruals £ *</b>
Vehicle mileage up to 45p per mile	12.60	114.30	-
Postage, stationery and telephone	-	15.58	2,232.00
Storage (and confidential destruction) of company records	-	-	-
<b>TOTAL</b>	<b>12.60</b>	<b>129.88</b>	<b>2,232.00</b>

\* I can confirm that the disbursements due under specific accruals above have not been drawn to date.

#### **Statement of creditors rights to receive further information**

Within 21 days of receipt of this progress report, a creditor may request the office holder to provide further information about the remuneration and expenses set out in this report. A request must be in writing, and may be made by:

- A secured creditor
- A non-preferential creditor with the concurrence of at least 5% in value of the creditors (including that creditor)
- Any non-preferential creditor with the permission of the court



The office holder must provide the requested information within 14 days, unless he considers that:

- the time or cost involved in preparing the information would be excessive, or
- disclosure would be prejudicial to the conduct of the proceedings or might be expected to lead to violence against any person, or
- the office holder is subject to an obligation of confidentiality in relation to the information requested, in which case he must give the reasons for not providing the information.

Any creditor may apply to the court within 21 days of the office holder's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information.

***Statement of creditors rights to challenge remuneration and/or expenses***

Under Rule 4.131 of the Insolvency Rules 1986 (as amended), any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred as set out in this progress report are excessive or, the basis fixed for remuneration is inappropriate.

A copy of our Standard Terms of Business may be downloaded from:-

<http://www.ewslip.co.uk/downloads>

Alternatively, a Creditor may obtain a printed copy by contacting this office directly.