

LIQ03

Notice of progress report in voluntary winding up



Companies House

MONDAY



A08 *A7E7FVKH*
10/09/2018 #75
COMPANIES HOUSE

1 Company details

Company number 0 2 6 5 9 9 4 8

Company name in full Master Group UK Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Jonathan Harris

Surname Sinclair

3 Liquidator's address

Building name/number 46

Street Vivian Avenue

Hendon Central

Post town London

County/Region

Postcode N W 4 3 X P

Country England

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator

Use this section to tell us about
another liquidator.

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Period of progress report

From date	d	0	d	7	m	0	m	8	y	2	y	0	y	1	y	7
To date	d	0	d	6	m	0	m	8	y	2	y	0	y	1	y	8

7

Progress report

☒ The progress report is attached

8

Sign and date

Liquidator's signature

Signature

X

[Handwritten Signature]

X

Signature date

d	0	d	7	m	0	m	9	y	2	y	0	y	1	y	8
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Liquidator's Annual Progress Report to Creditors & Members

**Master Group UK Limited
- In Liquidation**

7 September 2018

MASTER GROUP UK LIMITED - IN LIQUIDATION

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MASTER GROUP UK LIMITED - IN LIQUIDATION

1 Introduction and Statutory Information

- 1.1 I, Jonathan Sinclair of Sinclair Harris, 46 Vivian Avenue, Hendon Central, London, NW4 3XP, was appointed as Liquidator of Master Group UK Limited (the **Company**) on 7 August 2017. This progress report covers the period from 7 August 2017 to 6 August 2018 (**the Period**) and should be read in conjunction with any previous progress reports which have been issued.
- 1.2 The principal trading address of the Company was York House, Grimsdyke Road, Hatch End, Pinner, Middlesex, HA5 4PH..
- 1.3 The registered office of the Company has been changed to 46 Vivian Avenue, Hendon Central, London, NW4 3XP and its registered number is 02659948.

2 Progress of the Liquidation

- 2.1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period and an explanation of the work done by the Liquidator and his staff.
- 2.2 At Appendix A is my Receipts and Payments Account for the period of this report.

Administration

- 2.3 A liquidator must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. This work includes dealing with the Company's creditors and employees together with administrative tasks associated the appointment, such as agreeing the strategy for the liquidation, filing notices of appointment, statutory advertising, opening and maintaining the estate cash book and bank accounts and reporting periodically to creditors, HMRC and the Registrar of Companies. I would confirm that the only matters that have affected the costs in this area to any particular extent Include:
 - Dealing with the redundancy claims of the former Employees in assisting them and making their claims from the Redundancy Payment Office in respect of unpaid wages, unpaid holiday pay, redundancy compensation in lieu of notice. Arranging for references to be drafted for the former employees.
 - Instructing Acasta Consulting Limited in order to collect in the company's book debts and advising on the legal situation in relation to claims against the company in relation to damages due for non-completed contracts.
 - Communicating with Brooks Braithwaite & Co Limited concerning the company's insurance.
 - Attending the company's premises to collect up the books and records, attending at the company's premises and collecting the server.
 - Attending at the company's premises with a Valuer from Rabbow & Co in relation to disposing of the company's assets.
 - Correspondence with CITV Levy & Grant.
 - Complying with statutory advertising requirements.
 - Corresponding with the London Borough of Harrow.

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- Attending meetings and discussions with former personnel of the company in relation to investigating the failure of the company, an insurance claim from a former customer of the company, the assets of the company, claims from creditors, etc etc.
- Dealing with the VAT affairs of the company and sending the VAT Returns on behalf of the company.
- Commencing and completing a detailed investigation into the events leading to the company's demise, and submitting Reports to the investigation department of the Insolvency Service and department of BIS.
- Corresponding with the company's former Accountants.
- Communicating with numerous creditors in relation to various matters raised by those creditors and dealing with this.
- Investigating the information stored on the database/server from your York House.
- Disclaiming the lease of the company's former trading address on behalf of the company.
- Correspondence with the The Pension Protection Fund, The Pension Regulator and Nest and notifying them of the liquidation of the company.
- Opening a bank account for the company in liquidation, maintaining a cashbook for the same.
- Filing all relevant documents with Companies House, as required by the statutory requirements.
- Taking out an insurance bond in respect of my appointment as Liquidator.
- Correspondence with HM Revenue and Customs in respect of Corporation Tax, VAT and CIS.
- Agreeing and paying in full the preferential claims from the RPO against the company
- Dealing with numerous complaints from various creditors of the company.
- Dealing with the Performing Rights Society.
- Conducting the investigation required by SIP2.
- Corresponding with a finance company in relation to the collection of the photocopier.
- Corresponding and negotiating with Master Electrical Limited in relation to negotiating the assignment and sale of a "live" contract.

2.4 Creditors should note that this work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

Realisation of Assets

2.5 It is anticipated that the work the Liquidator and his staff have undertaken to date will bring a financial benefit to creditors. The following assets have been realised:

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Office furniture, equipment and tools

- 2.6 The Director had estimated that the office furniture, equipment and tools would realise £1,000.00. I attended at the company's premises with a representative of Rabbow & Co valuers and auctioneers who informed me that the furniture and equipment were worth approximately £1,000. There were three attempted sale of the assets that were not completed. Given that the cost of storage, removal and sale would have been greater than the net proceeds realised, the assets were abandoned and not realised. No amount was charged to the case by Rabbow and Co.

Contract assignment

- 2.7 The company had a contract to complete a shop refurbishment. If the contract had not been completed and should the contract not been finished then the client may have had a claim against the company for damages. After discussions with Acasta Consulting the contract was assigned to Master Electrical Limited a company owned by Mr and Mrs Horowitz who were shareholders/officers of Master Group Electrical Limited for 30% of the net profit plus VAT. The net amount received was £4,881.66.

Book debts and work in progress

- 2.8 The Director was unable to estimate the amount of book debts and work in progress that would be realised. The amount of £45,763.18 has been realised by Acasta Consulting Limited to date. There are further realisations to be realised. I do not have exact details of further realisations at the date of this report.

Cash at Bank

- 2.9 The Director had estimated that the Cash at Bank would realise £32,300.00. The actual balance in the bank account was £32,267.08.

Other realisations

- 2.10 The company paid a deposit for the costs of the liquidation of £9,960.00. This is shown in the receipts and Payments account. A sundry debt of £452.60 for Business Rates was realised. The only other realisation has been the receipt of bank interest of £54.10.

Creditors (claims and distributions)

- 2.11 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. A Liquidator is not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. I am not aware of any secured creditors in relation to this case.
- 2.12 The Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal. I have agreed and paid the preferential creditor the National insurance Fund in full. The claim amounted to £2,337.98.
- 2.13 The above work will not necessarily bring any financial benefit to creditors generally; however, a Liquidator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidator in dealing with those claims.

Investigations

- 2.14 Some of the work the Liquidator is required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency

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Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidator can pursue for the benefit of creditors. I confirm that a substantial amount of work was completed on behalf of creditors in order to cater to various creditors' concerns.

- 2.15 I can confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents.
- 2.16 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment considered any information provided by creditors. My investigations have not revealed any issues requiring further report or any further potential recoveries which could be pursued for the benefit of creditors.

Matters still to be dealt with

- 2.17 I have to realise the balance of amounts still outstanding from debtors. I have to agree creditors' claims with a view to making a distribution to unsecured creditors in due course.

Expenses

- 2.18 The following expenses have been incurred:
- 2.19 Statutory bonding costs (Marsh)-£400. Debt Collection fees and advice (Acasta Consulting Limited)-£8,640.73. Sundry Expenses-Petty cash paid to staff to send out operation manuals £60. Reimbursement of Petty cash paid out to employee relating to operation manuals £200. Further information is given in Appendix C to this Report.

Connected Party Transactions

- 2.20 In accordance with Statement of Insolvency Practice 13, I would advise you that the following assets were sold to a company controlled by the former directors of the Company during the period covered by this report: This transaction was to prevent a claim for damages, ensure sub-contractors did not have claims against the company and benefit creditors. I was advised the contract could not have been easily assigned to another contractor and there was also the consideration that the client could offset a claim for damages against owed to this company.

28 February 2018	Assignment of a shop refurbishment Contract	£4,881.66 plus VAT	Master Electrical Limited	Common Directors

3 Creditors

Preferential Creditors

- 3.2 A summary of preferential claims is detailed below.

Employee claims (Total number of claims)	2,337.98	6,000.00	100p/£

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Unsecured Creditors

- 3.3 I have received claims totalling £346,864 from 27 creditors. This includes substantial claims from HMRC and The Redundancy payments Office. I have yet to receive claims from 58 creditors whose debts total approximately £60,000.

4 Notice of Intended Dividend

- 4.1 It is my intention to pay a first dividend to non-preferential creditors within the next twelve months. Creditors who have not yet proven should email me at jonathan@sinclairharris.com in order to receive another proof of debt form.
- 4.2 Alternatively, I should be obliged if you would inform me if you have no claim in the liquidation.

5 Liquidator's Remuneration

- 5.1 The Creditors approved that the basis of the Liquidator's remuneration be fixed by reference to the time properly spent by him and his staff in managing the Liquidation.
- 5.2 My time costs for the Period are £22,577. This represents 80 hours at an average rate of £282.21 per hour. Attached as Appendix C is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent by me in managing the liquidation. To date, £11,000.00 plus disbursements of £11,875.71 has been drawn on account. There has been a certain amount of time incurred in relation to this case relating the former director's illness and assisting the former employees finding new jobs (references etc) this time has not been charged to the case as they are not strictly relating to my duties as the appointed liquidator.
- 5.3 The fee estimate provided to Creditors and agreed with creditors on my appointment is summarised below:

Classification of work	Total Hours	Total Cost	Average Rate
Statutory compliance, administration and planning	44.0	£12,155	£276
Investigations	14.5	£4,065	£280
Realisation of Assets	34.5	£10,260	£297
Employees Claims	8.0	£2,400	£300
Creditors	54.0	£14,700	£272
Case specific matters	-	£0	£0
Total hours	155.0	£43,580	£281

- 5.4 The actual time costs incurred by my firm to date are in line with my estimate (to date) but I anticipate that the final figure will be less than agreed with creditors

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- 5.5 In considering the remaining work to be done in this liquidation, I currently anticipate that my time costs to complete the liquidation will be approximately £15,000. I will update creditors on this in my next progress report.
- 5.6 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from: www.sinclairharris.com/Sip9GuideToFees.pdf
- 5.7 Attached as Appendix C is additional information in relation to the Liquidator's fees, expenses and disbursements and professional advisers.

6 Creditors' Rights

- 6.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidator provide further information about his remuneration or expenses which have been itemised in this progress report.
- 6.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive.

7 Next Report

- 7.1 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this in which case I will write to creditors with my final account.

Yours faithfully



JONATHAN SINCLAIR FCA FABRP MIPA
Liquidator

Appendix A

Master Group UK Limited - in Liquidation

Liquidator's Statement of Receipts and Payments For the Period from 7 August 2017 to 6 August 2018

	£	Director's Statement of Affairs £
<u>RECEIPTS</u>		
Book debts	45,763.18	TBA
Cash at Bank	32,267.08	32,300.00
Deposit from Company to pay costs of liquidation	9,960.00	
Rates repayment	452.60	
Sale of Assets: Office furniture, equipment and tools	nil	1,000.00
Contract assignment realisation	4,881.66	TBA
Interest received	54.10	
	<u>93,378.62</u>	<u>33,300.00</u>

EXPENDITURE

Meeting of Creditors Fee	8,000.00
Bonding costs-Marsh	400.00
Liquidator's Fees	11,000.00
Debt collection costs-Acasta Consulting Ltd	8,640.73
Preferential Dividend - National Insurance Fund	2,337.98
Sundry Expenses-Postage	60.00
Petty cash reimbursed to staff	200.00
Statutory Advertising-TMP Reynell	237.00
	<u>30,875.71</u>

MADE UP AS FOLLOWS

Barclays Bank Plc	61,626.35
VAT Control	875.87
	<u>62,502.22</u>

SINCLAIR HARRIS CHARGEOUT RATE SUMMARY
Client name: Master Group UK Limited

Time Spent for period: Monday 7 August 2017 - Monday 6 August 2018

Classification of work	Partner hours	Manager1 hours	Manager2 hours	Manager3 hours	Senior Administrator hours	Administrator hours	Support hours	Total Hours	Total Cost	Average Rate
Statutory compliance, administration and planning	0.00	18.00	0.00	14.80	0.00	0.00	0.00	32.80	8,952.00	272.93
Investigations	0.00	6.40	0.00	0.00	0.00	0.00	2.30	8.70	2,219.00	255.06
Realisation of Assets	0.00	19.00	0.00	0.00	0.00	0.00	0.00	19.00	5,700.00	300.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors and Employees	0.00	17.10	0.00	2.40	0.00	0.00	0.00	19.50	5,706.00	292.62
Case specific matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total hours	0.00	60.50	0.00	17.20	0.00	0.00	2.30	80.00	22,577.00	282.21
Total fees claimed									22,577.00	
Invoiced									11,000.00	
Balance written off /carried forward									11,577.00	

Charge out rate in units of 6 minutes

Chargeout rates:	2018	2017
Partner	390	390
Manager1	300	300
Manager2	280	280
Manager3	240	240
Senior Administrator	180	180
Administrator	160	160
Support	160	160

Standard Activity	Examples of Work
Statutory compliance, administration and planning	Statutory reporting and compliance. Compliance with other regulatory requirements. Case planning Administrative set up Appointment notification Maintenance of records
Investigations	SIP2 review CDDA reports
Realisation of assets	Investigation antecedent identifying, securing, insuring Negotiating with Debt collection Property, Business asset sales
Trading	Management of operations Management of operations Accounting for trading
Creditors	On-going employee issues Communicating with creditors Creditors' claims (including employees' and other preferential creditors)

MASTER GROUP UK LIMITED - IN LIQUIDATION

Appendix C

Additional Information in Relation to the Liquidator's Fees, Expenses & Disbursements

1 Staff Allocation

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.

2 Professional Advisors

- 2.1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Acasta Consulting Limited (debt collection costs)	Percentage of collected debts
Rabbow and Co registered valuers	No fee charged for attendance and advice

- 2.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

3 Liquidator's Expenses & Disbursements

- 3.1 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

Statutory advertising		237.00		237.00
Specific penalty bond		400.00		400.00
Various sundries- postage Operation manuals		60.00		60.00
Petty cash reimbursed to a former Employee to assist re manuals		200.00		200.00
Category 2 disbursements				
Nothing charged by Sinclair Harris		0		

- 3.2 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above.
- 3.3 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to

MASTER GROUP UK LIMITED - IN LIQUIDATION

the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Sinclair harris does not charge Category 2 disbursements in relation to this appointment.

4 Charge-Out Rates

- 4.1 A schedule of Sinclair Harris's charge-out rates was issued to creditors at the time the basis of the Liquidator's remuneration was approved. Up to date charge out rates are shown on the SIP 9-time summary accompanying this report.

LIQ03

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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.

Contact name Jonathan Sinclair

Company name Sinclair Harris

Address 46 Vivian Avenue

Hendon Central

Post town London

County/Region

Postcode N W 4 3 X P

Country England

DX

Telephone 020 82033344

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