

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

**02674165**

Name of Company

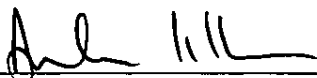
(a) Insert full name  
of company

(a) Finlays (North East) Limited

(b) Insert full  
names and  
addressesWe, (b) Andrew Little  
8 High Street  
Yarm  
Stockton on Tees  
TS15 9AESteven Philip Ross  
Tenon House  
Ferryboat Lane  
Sunderland  
SR5 3JNthe Liquidators of the company, attach a copy of our statement of receipts and payments  
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 22 October 2013 to 21 October 2014

Signed

  
Andrew Little

Dated

18/12/14

Presenters name,  
address and  
reference, if anyRowlands Restructuring & Insolvency  
8 High Street, Yarm, Stockton on Tees TS15 9AE  
Ref F2076

SATURDAY



A21

\*A3N3Q99S\*

20/12/2014

#327

COMPANIES HOUSE

Company Number 02674165

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

Name of Company	Finlays (North East) Limited
Company Registered Number	02674165
State whether members' or creditors' voluntary winding up	Creditors Voluntary Liquidation
Date of commencement of winding up	22 October 2013
Date to which this statement is brought down	21 October 2014

Name and Address of Liquidators

Name	Andrew Little
At the office of	Rowlands Restructuring & Insolvency
Address	8 High Street Yarm Stockton on Tees TS15 9AE
Name	Steven Philip Ross
At the office of	Baker Tilly
Address	Tenon House Ferryboat Lane Sunderland SR5 3JN

Company Number 02674165

# **REALISATIONS**

Date	Receipts From	Nature of receipts or payments/explanation	Total £
22/10/13		Balance brought forward from previous abstract	22,195 85
01/11/13	A Wylie	Licence to occupy fee	510 00
26/11/13	Sintons	Contributions to Landlord Costs	1,800 00
26/11/13	Sintons	Contributions to rent arrears	2,023 99
26/11/13	Sintons	Goodwill	70,000 00
28/11/13	Sintons	Furniture, Fixtures and Fittings	99,999 00
28/11/13	Sintons	Goodwill	1 00
28/11/13	Sintons	Licence to occupy fee	19,845 79
04/12/13	Durham County Council	Rates Refunds	879 12
09/12/13	Sintons	Contributions to Landlord Costs	1,980 00
09/12/13	Sintons	Goodwill	18,000 00
31/12/13	Natwest	Bank Interest Gross	40 16
07/01/14	C Gowling	Newspapers Deliveries	8 45
09/01/14	H M Gill	Newspapers Deliveries	5 35
09/01/14	J Roberts	Newspapers Deliveries	10 65
09/01/14	Meikels Solicitors	Newspapers Deliveries	13 85
09/01/14	A Rabley	Newspapers Deliveries	55 70
09/01/14	RM & N Heslop	Newspapers Deliveries	1 88
09/01/14	GB & LU Harrison	Newspapers Deliveries	19 40
09/01/14	M C Alderson	Newspapers Deliveries	10 25
09/01/14	M C Alderson	Newspapers Deliveries	12 25
09/01/14	RJ & M Weir	Newspapers Deliveries	21 20
09/01/14	S A Wood	Newspapers Deliveries	11 10
09/01/14	E A Cockburn	Newspapers Deliveries	8 95
09/01/14	J R Hinchcliffe	Newspapers Deliveries	10 15
09/01/14	Mrs M B Street	Newspapers Deliveries	13 10
09/01/14	McGarry & Co	Newspapers Deliveries	10 45
09/01/14	Mr M McGarr	Newspapers Deliveries	17 55
09/01/14	AN & G Whiteford	Newspapers Deliveries	15 40
09/01/14	Mrs J L Smith	Newspapers Deliveries	28 35
09/01/14	Mr John Wise	Newspapers Deliveries	39 50
09/01/14	Mr R Benton	Newspapers Deliveries	8 27
09/01/14	W & S Lind-Jackson	Newspapers Deliveries	12 10
09/01/14	J M Richardson	Newspapers Deliveries	4 60
09/01/14	F E Walker	Newspapers Deliveries	30 90
09/01/14	Mr M V Woodward	Newspapers Deliveries	12 15
09/01/14	JSA Regeneration Ltd	Newspapers Deliveries	22 30
09/01/14	R W Stanyon	Newspapers Deliveries	19 30
09/01/14	JR & AER Raine	Newspapers Deliveries	10 15
09/01/14	M Nedd	Newspapers Deliveries	11 15
09/01/14	WK Wilkinson	Newspapers Deliveries	59 20
09/01/14	J Bagley	Newspapers Deliveries	29 65
09/01/14	E O'Mara	Newspapers Deliveries	8 70
09/01/14	SW & WF Carter	Newspapers Deliveries	11 45
09/01/14	W R Whitwell	Newspapers Deliveries	11 95
09/01/14	Mrs M Ward	Newspapers Deliveries	13 24
09/01/14	SCH Foulston	Newspapers Deliveries	11 40
09/01/14	AD & LM Bye	Newspapers Deliveries	91 70
09/01/14	PS & LI Stross	Newspapers Deliveries	24 80
09/01/14	PE & EE Russell	Newspapers Deliveries	11 50
09/01/14	S & J Peat House A/C	Newspapers Deliveries	17 30
09/01/14	Mrs D Herbert	Newspapers Deliveries	33 70
09/01/14	Robson Horticulture Ltd	Newspapers Deliveries	12 30
09/01/14	T A Young	Newspapers Deliveries	31 70
13/01/14	Sintons	Contributions to Landlord Costs	500 00
13/01/14	Sintons	Goodwill	65,000 00
13/01/14	Bardclays	Debtors	5,795 93
14/01/14	Foster R+AP	Newspapers Deliveries	12 85
15/01/14	UNKNOWN	Newspapers Deliveries	5 00
20/01/14	Newcastle & Darlington Council	Rates Refunds	4,632 91

Carried forward to next sheet

314,034 64

# REALISATIONS

Date	Receipts From	Nature of receipts or payments/explanation	Total £
		Brought forward from previous sheet	314,034 64
21/01/14	M & M Y Manley	Newspapers Deliveries	12 75
21/01/14	Mrs S Hudson	Newspapers Deliveries	8 95
21/01/14	Mr F W Parker	Newspapers Deliveries	6 00
21/01/14	Mr D E Jenkins	Newspapers Deliveries	52 10
21/01/14	Mr D C & Mrs L K How	Newspapers Deliveries	2 70
21/01/14	Mr L Brown & Mrs M Brown	Newspapers Deliveries	10 15
21/01/14	I Kempster	Newspapers Deliveries	10 00
21/01/14	Mr J R & Mrs M J Green	Newspapers Deliveries	3 70
21/01/14	Mr G S & Mrs C A Harrison	Newspapers Deliveries	51 45
21/01/14	Mr S & Mrs L Green t/a Three	Newspapers Deliveries	20 75
21/01/14	Mr J & Mrs H M Riley	Newspapers Deliveries	16 30
21/01/14	M Benson	Newspapers Deliveries	11 95
21/01/14	R S & J Tweddell	Newspapers Deliveries	6 85
21/01/14	D S & S A Dry	Newspapers Deliveries	35 35
21/01/14	Ms A Feeman & Mr E Ford	Newspapers Deliveries	6 80
21/01/14	Mr T & Mrs J Ireland	Newspapers Deliveries	7 30
21/01/14	A R & E D Gutteridge	Newspapers Deliveries	2 30
21/01/14	R & A M E Martin	Newspapers Deliveries	7 50
21/01/14	Mr M J & Mrs J M Stroud	Newspapers Deliveries	11 40
21/01/14	Mr T F & Mrs B J Whittaker	Newspapers Deliveries	7 20
21/01/14	Mr H G Clark	Newspapers Deliveries	12 30
21/01/14	Mr T Irvin	Newspapers Deliveries	7 90
21/01/14	Mr F & Mrs C H Brown	Newspapers Deliveries	20 25
21/01/14	Mrs Anne Bell	Newspapers Deliveries	33 55
21/01/14	Mr G W & Mrs P J Holmes	Newspapers Deliveries	3 30
21/01/14	Mrs A Stevenson	Newspapers Deliveries	11 30
21/01/14	Mr V A Clarke	Newspapers Deliveries	9 40
21/01/14	Mr G C M Dick	Newspapers Deliveries	4 40
21/01/14	W H T Salvin (Egglestone Abbey)	Newspapers Deliveries	154 95
21/01/14	Mr J I & Mrs M Hutchinson	Newspapers Deliveries	10 15
21/01/14	Mr A W & Mrs E M Dean	Newspapers Deliveries	11 95
21/01/14	Mr O Spence	Newspapers Deliveries	16 40
21/01/14	Mr C M Duke	Newspapers Deliveries	32 40
21/01/14	K & P A Tate	Newspapers Deliveries	18 70
21/01/14	Mr & Mrs C M Thistlewaite	Newspapers Deliveries	5 70
21/01/14	Mr Terry Willets & Prof P Grunwell	Newspapers Deliveries	30 15
21/01/14	G R Herbert	Newspapers Deliveries	24 30
04/02/14	Bargain Booze	Furniture, Fixtures and Fittings	50,000 00
05/02/14	Bargain Booze	Licence to occupy fee	29,530 76
06/02/14	Mr J D Bousfield	Newspapers Deliveries	42 90
06/02/14	N C Pease	Newspapers Deliveries	11 32
06/02/14	K Gorman	Newspapers Deliveries	3 10
06/02/14	R R G B Smedley	Newspapers Deliveries	3 90
06/02/14	Mr G W Fenwick	Newspapers Deliveries	60 50
06/02/14	D M Raw	Newspapers Deliveries	22 80
06/02/14	Mr R W Williamson	Newspapers Deliveries	26 79
06/02/14	Mr S Rolt and Mrs Rolt	Newspapers Deliveries	15 60
06/02/14	J F and J Brown	Newspapers Deliveries	7 30
06/02/14	The Oak tree Inn Ltd	Newspapers Deliveries	47 00
10/02/14	Major P W & Mrs M J A Todd	Newspapers Deliveries	40 90
10/02/14	R & B Traditional Builders	Newspapers Deliveries	27 60
10/02/14	Mrs M Taube-Brown & Mr Brown	Newspapers Deliveries	58 25
17/02/14	Various Newspaper Delivery	Newspapers Deliveries	1,808 51
17/02/14	Redcar Council	Rates Refunds	216 76
19/02/14	Sunderland Council	Rates Refunds	1,010 69
19/02/14	South Tyneside Council	Rates Refunds	1,732 94
07/03/14	A Wylie	Licence to occupy fee	1,680 00
12/03/14	Barnard Castle Paper Deliveries	Newspapers Deliveries	10 00
12/03/14	Barnard Castle Paper Deliveries	Newspapers Deliveries	53 15
24/03/14	A M Wylie	Licence to occupy fee	240 00

Carried forward to next sheet

401,384 01

**REALISATIONS**

<b>Date</b>	<b>Receipts From</b>	<b>Nature of receipts or payments/explanation</b>	<b>Total £</b>
27/03/14	Elite Mobile Limited	Brought forward from previous sheet	401,384 01
01/04/14	Natwest	Mobile Phone Sim Commission	8 00
08/05/14	Parcel Force	Bank Interest Gross	100 68
08/05/14	Parcel Force	Postage	33 84
12/05/14	Sintons	Postage compensation	50 00
09/06/14	Barclays	Licence to occupy fee	6,246 99
19/06/14	HMRC	Debtors	4,933 08
25/06/14	HMRC	VAT Control VAT Paid (Received)	14,484 07
11/07/14	North Tyneside Council	VAT Control VAT Paid (Received)	23,078 36
25/07/14	Camelot	Rates Refunds	584 45
25/07/14	Camelot	Scratchcard Winnings	313 00
11/08/14	GMBC	Scratchcard Winnings	3,251 00
20/08/14	Camelot	Rates Refunds	321 33
21/08/14	Camelot	Scratchcard Winnings	2,310 00
08/10/14	Sintons	Scratchcard Winnings	956 00
		Rent arrears	563 60
<b>Total realisations carried forward to next abstract:</b>			<b>458,618.41</b>

**DISBURSEMENTS**

<b>Date</b>	<b>Payments To</b>	<b>Nature of receipts or payments/explanation</b>	<b>Total £</b>
22/10/13		Balance brought forward from previous abstract	0 00
23/10/13	Mr M S Walker	Newspapers Deliveries	35 00
22/11/13	Sintons Solicitors	Rent arrears	(5,953 63)
22/11/13	Geoff Ewart	Repairs	(205 00)
22/11/13	Steve Whitehead Ltd	Repairs	(192 00)
22/11/13	Rowlands	Specific Bond	(222 00)
22/11/13	Legal & Public	Statutory Advertising	(252 00)
22/11/13	Rapid Response	Courier	(192 00)
22/11/13	Advance Fire & Security	Security Costs	(561 51)
26/11/13	Sintons	Bank/Transfer charges	(26 40)
26/11/13	Sintons	Land Registry Fee	(139 00)
26/11/13	Sintons	Landlord costs	(1,800 00)
26/11/13	Sintons	Legal Fees	(5,400 00)
27/11/13	Rowlands	Books & Stationery	(70 12)
27/11/13	Rowlands	Mileage & travel expenses	(537 78)
27/11/13	Rowlands	Preparation of Statement of Affairs	(30,000 00)
27/11/13	Christie & Co	Sales agents fees	(27,000 00)
28/11/13	James Jackson Property Ltd	Licence to occupy	(4,191 52)
28/11/13	Anna Almond Hogg	Licence to occupy	(3,912 04)
28/11/13	Parklight Properties	Licence to occupy	(2,459 42)
28/11/13	South Shore One Ltd	Licence to occupy	(1,258 30)
28/11/13	South Shore One Ltd	Licence to occupy	(4,000 00)
28/11/13	Philip Gifford	Licence to occupy	(4,024 51)
28/11/13	Sintons	Bank/Transfer charges	(26 40)
28/11/13	Sintons	Land Registry Fee	(24 00)
28/11/13	Sintons	Legal Fees	(12,000 00)
29/11/13	Rowlands	Company Search	(9 60)
29/11/13	Rowlands	Fees Liquidators Fees	(24,000 00)
29/11/13	Rowlands	Mileage & travel expenses	(542 38)
29/11/13	Rowlands	Postage	(15 50)
29/11/13	Rowlands	Security Costs	(15 59)
05/12/13	Christie & Co	Sales agents fees	(6,000 00)
05/12/13	Cottam & Co Ltd	Land agents fees	(15,300 00)
05/12/13	D Mullen	Repairs	(125 00)
05/12/13	Legal & Public Notices	Statutory Advertising	(126 00)
05/12/13	Cottam & Co Ltd	Land agents fees	(1,200 00)
09/12/13	Sintons	Bank/Transfer charges	(79 20)
09/12/13	Sintons	Land Registry Fee	(5 00)
09/12/13	Sintons	Landlord costs	(1,548 00)
09/12/13	Sintons	Legal Fees	(5,400 00)
09/12/13	Sintons	Rent arrears	(700 00)
23/12/13	GJ & CJ Murray	Newspapers Deliveries	38 60
03/01/14	Cottam & Co Ltd	Land agents fees	(3,600 00)
03/01/14	Mrs Bettinson	Newspapers Deliveries	42 20
07/01/14	Keep Moat	Repairs	(204 01)
07/01/14	I Dobson	Newspapers Deliveries	15 40
07/01/14	Knight Frank	Services charges	(819 55)
10/01/14	Advance Fire & Security	Security Costs	(409 12)
13/01/14	Sintons	Bank/Transfer charges	(79 20)
13/01/14	Sintons	Land Registry Fee	(6 00)
13/01/14	Sintons	Legal Fees	(21,600 00)
13/01/14	Sintons	Rent arrears	(13,810 00)
13/01/14	Sintons	Sales agents fees	(14,400 00)
31/01/14	Cottam & Co Ltd	Land agents fees	(4,200 00)
04/02/14	Bargain Booze	Legal Fees	(3,000 00)
06/02/14	Philip Gifford Associates	Licence to occupy	(5,400 00)
06/02/14	South Shore One Ltd	Licence to occupy	(8,155 76)
06/02/14	Parklight Properties Ltd	Licence to occupy	(3,300 00)
06/02/14	Anna Almond Hogg	Licence to occupy	(5,250 00)
06/02/14	James Jackson Property Ltd	Licence to occupy	(5,625 00)

Carried forward to next sheet

(249,241 34)

**DISBURSEMENTS**

<b>Date</b>	<b>Payments To</b>	<b>Nature of receipts or payments/explanation</b>	<b>Total £</b>
10/02/14	Marsh Ltd	Brought forward from previous sheet	(249,241 34)
13/02/14	Christies	Insurance	(636 00)
17/02/14	S Wright	Sales agents fees	(8,400 00)
27/02/14	James Jackson Properties Ltd	Debt Collection Fees	(1,808 51)
10/03/14	Philip Gifford Associates	Insurance	(430 30)
10/03/14	Bargain Booze Ltd	Licence to occupy	(1,800 00)
12/03/14	Dividend Recipients	Licence to occupy	(1,680 00)
26/03/14	Rowlands	First and Final Dividend for Secured Creditors	(69,103 63)
26/03/14	Rowlands	Fees Liquidators Fees	(24,000 00)
26/03/14	Rowlands	Mileage & travel expenses	(194 04)
01/04/14	Rowlands	Postage	(25 10)
20/05/14	James Jackson Property	Fees Liquidators Fees	(6,000 00)
20/05/14	James Jackson Property	Insurance	(64 27)
20/05/14	Parklight Properties	Licence to occupy	(1,417 81)
20/05/14	Philip Gifford Associates	Licence to occupy	(693 15)
20/05/14	Philip Gifford Associates	Licence to occupy	(1,134 25)
20/05/14	Anna Almond Hogg	Licence to occupy	(231 00)
20/05/14	Knight Frank	Licence to occupy	(1,323 29)
20/05/14	Knight Frank	Licence to occupy	(1,019 82)
20/05/14	Knight Frank	Rent arrears	(462 26)
22/05/14	Parklight	Licence to occupy	(283 56)
22/05/14	Philip Gifford	Licence to occupy	(138 63)
22/05/14	Knight Frank	Licence to occupy	(335 82)
27/05/14	Sintons	Licence to occupy	(342 62)
04/06/14	Sintons LLP	Rent arrears	(2,000 00)
30/06/14	Rowlands	Legal Fees	(3,000 00)
18/07/14	Craig Melrose	Fees Liquidators Fees	(12,000 00)
30/07/14	Sintons	Casual wages	(70 00)
30/07/14	Sintons	Bank/Transfer charges	(26 40)
30/07/14	Sintons	Landlord costs	(320 00)
30/07/14	Sintons	Legal Fees	(6,150 00)
30/07/14	Marsh	Insurance	(106 00)
11/08/14	Cash	Casual wages	(50 00)
21/08/14	Camelot	Casual wages	(385 00)
11/09/14	Sintons	Legal Fees	(600 00)
02/10/14	Rowlands	Fees Liquidators Fees	(12,000 00)
02/10/14	Rowlands	Mileage & travel expenses	(32 94)
			0 00

**Total disbursements carried forward to next abstract:****(407,505 74)**

Company Number 02674165

Analysis of balance

	£	£
Total realisations	458,618 41	
Total disbursements	<u>(407,505 74)</u>	
Net Realisations		51,112 67
Post Appointment Sales	0 00	
Post Appointment Expenditure	<u>0 00</u>	
Trading Surplus (Deficit)		<u>0 00</u>
Balance held		<u>51,112 67</u>
This balance is made up as follows		
1 Cash in hands of liquidator		0 00
2 Balance at bank		51,112 67
3 Amount in Insolvency Services Account		0 00
4 Amounts invested by liquidator	0 00	
Less The cost of investments realised	<u>0 00</u>	
Balance		0 00
5 Accrued Items		0 00
Total Balance as shown above		<u>51,112 67</u>

Company Number 02674165

Statements by Liquidator

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

(140,000 00)

Floating charge holders

(140,000 00)

Preferential creditors

(50,000 00)

Unsecured creditors

(1,491,878 50)

The total amount of the capital paid up at the date of the commencement of the winding up

£

Paid up in cash

75,000 00

Issued as paid up otherwise than for cash

0 00

The general description and estimated value of any outstanding assets

Asset Type	Estimated To Realise
Investments	90 00
<b>Total</b>	<b>90.00</b>

Reasons why the winding up cannot yet be concluded

Potential distribution to preferential creditors

The period within which the winding up is expected to be completed

9 month(s)

FIRST AND FINAL DIVIDEND FOR SECURED CREDITORS

Date Declared 12/03/14  
Prove By Date: 12/03/14  
Date Paid: 12/03/14  
Total Claims: 167,174 51  
Rate: 41 34  
Dividend Total: 69,103 63  
Stat Interest:  
Total Paid: 69,103 63

Creditor	Admitted	Dividend Amt	Stat Interest	Div Tax Amt	Cash Total	Equalised	Unclaimed
Barclays Bank Ltd	167,174 51	69,103 63	0 00	0 00	69,103 63	0 00	0 00
	167,174 51	69,103 63	0 00	0 00	69,103 63	0 00	0 00

**FINLAYS (NORTH EAST) LIMITED - IN LIQUIDATION**

---

**JOINT LIQUIDATORS' PROGRESS REPORT**

**FOR THE PERIOD 22 OCTOBER 2013 TO 21 OCTOBER 2014**

---

**ANDREW LITTLE AND STEVEN PHILIP ROSS  
JOINT LIQUIDATORS**

**APPOINTED 22 OCTOBER 2013**

**ROWLANDS RESTRUCTURING & INSOLVENCY  
8 HIGH STREET  
YARM  
STOCKTON ON TEES, TS15 9AE**

## CONTENTS

### SECTIONS

1.	PURPOSE OF REPORT . . . . .	1
2.	PROGRESS OF THE LIQUIDATION . . . . .	1
2.1.	Realisation of Assets \ Sale of Business . . . . .	1
2.2.	Connected Party Transactions. . . . .	4
2.3.	Trading Where Necessary For The Company's Beneficial Winding-up . . . . .	4
2.4.	Investigations . . . . .	4
2.5.	Administration and Planning . . . . .	4
3.	ASSETS REMAINING TO BE REALISED . . . . .	5
4.	CREDITORS' CLAIMS AND DIVIDEND PROSPECTS . . . . .	5
4.1.	Secured Creditors . . . . .	5
4.2.	Preferential Creditors . . . . .	5
4.3.	Unsecured Creditors . . . . .	5
4.4.	Prescribed Part . . . . .	5
5.	RECEIPTS AND PAYMENTS SUMMARY . . . . .	5
5.1.	VAT Basis . . . . .	5
6.	COSTS AND JOINT LIQUIDATORS' REMUNERATION. . . . .	6
6 1.	Joint Liquidators' Remuneration and Disbursements. . . . .	6
7.	JOINT LIQUIDATORS' STATEMENT OF EXPENSES . . . . .	6
7.1.	Detailed cost breakdown. . . . .	6
7.2.	Other professional costs . . . . .	7
8.	CREDITORS' RIGHT TO INFORMATION AND ABILITY TO CHALLENGE REMUNERATION AND EXPENSES . . . . .	7

### APPENDICES

A.	COMPANY INFORMATION
B.	SUMMARY OF RECEIPTS AND PAYMENTS
C.	ROWLANDS STATEMENT ON REMUNERATION AND EXPENSES IN INSOLVENCY PROCEEDINGS
D.	BAKER TILLY CHARGING, EXPENSES AND DISBURSEMENTS POLICY
E.	BAKER TILLY CURRENT CHARGE OUT AND DISBURSEMENT RATES
F.	DISBURSEMENTS TABLE
G.	STATEMENT OF EXPENSES
H.	ROWLANDS RESTRUCTURING & INSOLVENCY TIME COST ANALYSIS
I.	BAKER TILLY TIME COST ANALYSIS
J.	EXTRACTS FROM THE INSOLVENCY RULES 1986, AS AMENDED

## **1. PURPOSE OF REPORT**

This report has been prepared in accordance with insolvency legislation to provide creditors, members and the registrar of companies with information relating to the progress of the liquidation in the period from 22 October 2013 to 21 October 2014.

This report has been prepared solely to comply with the statutory requirements of Section 104A of the Insolvency Act 1986, as amended ("the Act") and Rule 4.49C of the Insolvency Rules 1986, as amended ("the Rules"). It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the company. Any estimated outcomes for creditors are illustrative and may be subject to significant change. Neither the Liquidators nor Rowlands Restructuring & Insolvency accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this report.

## **2. PROGRESS OF THE LIQUIDATION**

### **2.1. Realisation of Assets \ Sale of Business**

#### **GENERAL**

Upon appointment the Joint Liquidator Andrew Little had numerous meetings with the Directors, sales agent Christle & Co and land agent Cottam & Co Ltd to discuss the best strategy with regards to the fifteen leased premises.

All parties were aware that some of the shops were already in initial stages of the sale process and it was decided that where possible these would be seen through to completion. Two shops were sold quickly completing sales that had been started prior to the liquidation and a further two sold following a short period of marketing. Although several parties showed interest in other properties these did not come to fruition.

Of the fifteen premises five of these were branded "Bargain Booze" stores.

Immediately on appointment contact had been made with Bargain Booze as they had already made a claim under their retention of title clause. Bargain Booze were also in a position of power in that they were able to sanction who could trade as Bargain Booze stores.

Bargain Booze indicated that they may have been interested in continuing to operate some, if not all of these stores. There was interest from third parties, but only in one store and it was unsure whether the interest party could achieve a purchase in the short time frame available.

The issue of retention of title would also have given rise to significant costs in terms of time to deal with in of the Bargain Booze stores.

Therefore, following a short period of negotiation an agreement was made that a licence to occupy would be granted to Bargain Booze until 31 January 2014 to allow them time to decide if they were interested in taking on the leases.

Bargain Booze paid the total of £150,000 for the fixtures & fittings and equipment (£149,999) and benefits of the contracts (if any £1) with a claw back provision should any landlord not grant a lease. Bargain Booze also paid an amount equal to the passing rent and service charge which was paid to the respective landlords.

## **Finlays (North East) Limited - In Liquidation**

### **Progress report**

---

A further extension of the licence to occupy was granted to 23 May 2014 at which point Bargain Booze took over the leases of two of the shops. The remaining three Bargain Booze shops were disclaimed.

With the continued marketing efforts by the Liquidators, Christie & Co and Cottom & Co Ltd it was hoped that the remaining shops could be sold. There was a level of interest but despite extensive negotiation it was not possible to effect any further sales.

This being the case, all seven shops and the head office were deemed onerous and were disclaimed.

#### **Break-ins**

Prior to the agreement of the licence to occupy with Bargain Booze there were three break-ins at two of the premises. Two of these break-ins caused minimal damage or loss of stock, however, the third break-in resulted in substantial damage to the premises as well as loss of stock. Significant time was spent dealing with these break-ins by way of attending the premises, dealing with police and ensuring the properties were secured. All stock on the premises was insured by Bargain Booze and there was no loss to other unsecured or secured creditors in relation to the damage to the premises or the stolen stock.

#### **SECURED ASSETS**

##### **Contribution to landlord costs**

In order to facilitate some of the sales the Joint Liquidators were required to pay an element of the landlord's legal costs. These costs were in part recovered from the purchaser

##### **Contributions to rent arrears**

In order to facilitate some of the sales the Joint Liquidators were required to pay an element of rental arrears to the landlords. These costs were in part recovered from the purchaser

##### **Goodwill**

Goodwill realisation are as detailed above.

#### **FLOATING CHARGE/UNENCUMBERED ASSETS**

##### **Cash in hand at appointment**

Prior to the appointment of the Joint Liquidators cash was uplifted from the premises, this totalled £22,195.85.

##### **Debtors**

Various payments in relation to post office salaries and news bills were made into the Company bank account following the appointment of the Joint Liquidators. These receipts vest in the Liquidation and following correspondence with the bank a total of £10,729.01 has been received

##### **Furniture, fixtures & fittings**

## **Finlays (North East) Limited - In Liquidation**

### **Progress report**

---

Furniture, fixtures and fittings had an estimated to realise value of £15.00 in the statement of affairs. This was due to their nature and the fact that it was unknown if they would be able to be removed from the premises. Eventual realisation totalled £149,999. This was the amount paid by Bargain Booze.

#### Investments

Investments were shown on the statement of affairs with an estimated to realise value of £91.50, this relates to 15 shares held in John Menzies. To date no realisation has been made in relation to these shares.

#### Leasehold property

Leasehold property had an estimated to realise value of £15.00 in the statement of affairs. Due to the leasehold nature of the property and the timing constraints in producing the statement of affairs the directors allocated a nominal value of £1 per property. Premium paid for any properties have been accounted for within the realisation of Goodwill.

#### Stock/Inventory on hand

Stock/Inventory on hand had an estimated to realise figure of £10,000 in the statement of affairs. Due to the trading style of the business the majority of stock was magazines, newspapers, sundry confectionary and cigarettes. The suppliers of magazines and cigarettes exercised their valid retention of title and all of the relevant stock was uplifted. There remained stocks of sundry confectionary and some frozen ice-creams the costs of uplifting to selling these would have been far greater than any potential realisation.

#### License to occupy fee

Under the agreement with Bargain Booze they accepted that they would pay an amount equivalent to the passing rent. Bargain Booze paid £52,222.41 we subsequently paid £52,222.41 to the relevant landlords.

#### Mobile phone SIM commission

The Joint Liquidators received £8.00 from Elite Mobile Ltd in relation to commission received from the sale of mobile phone SIM cards.

#### Newspaper deliveries

Following their appointment the Joint Liquidators found that the Barnard Castle shop had a substantial paper round due to its rural location. The total monies owed to the Company in relation this was circa £4,700 pounds according to the Company records. Due to high volume of minimal amounts that were due the Joint Liquidators decided to enlist the help of one of the former employees to collect these monies. Total realisations for newspaper deliveries totalled £3,769.11 with debt collection costs of £1,808.51. The Joint Liquidators are of the opinion that without the help of the former employee no realisation would have been made.

A total of £131.20 was collected from outstanding newspaper deliveries charges from the other shops.

#### Rates refund

## **Finlays (North East) Limited - In Liquidation**

### **Progress report**

---

Following the sale or disclaimer of the sixteen leased premises the Joint Liquidators have received rates refunds from various local authorities totalling £9,378.20.

#### Scratchcard winnings

Prior to the appointment of the Joint Liquidators all National Lottery Scratchcards were removed from the shops for security purposes. The vast majority of these had not been activated and were therefore returned to the Camelot. However, there were 6,032 activated Scratchcards that were not returned to Camelot. These activated Scratchcards were scratched and produced total winnings of £6,830.

#### Postage compensation

Due to an error by Parcel Force in misplacing some documents a full refund of the postage costs was made together with a compensation payment of £50.00 as a gesture of goodwill.

#### Bank interest

Bank interest of £140.84 has been received on funds held by the Joint Liquidators HM Revenue & Customs have been notified of this and corporation tax paid where appropriate.

#### 2.2. Connected Party Transactions

In the financial records to 31 March 2012 connected party transactions totalled £811,743 being management charges from News 77 Ltd. At the year end 31 March 2012 the outstanding amount due to the Company amounting to £752,762.

The only asset of News 77 Ltd was its investment in Finlays (North East) Ltd this being the case the will be no recovery made in relation to these monies.

#### 2.3. Trading Where Necessary For The Company's Beneficial Winding-up

There was no trading undertaken by the Joint Liquidators.

#### 2.4 Investigations

The Joint Liquidators uplifted books and records of the Company, invited creditors to provide information on any areas of concern and provided questionnaires to the directors in order to gather information on the Company.

A review of all this information was then undertaken and in accordance with our statutory obligations, we have filed the appropriate documentation with the Department for Business, Innovation and Skills in relation to the conduct of the directors.

#### 2.5. Administration and Planning

During the period the Joint Liquidators filled at Companies House the appropriate forms in relation to their appointment together with a copy of the directors' statement of affairs and the resolutions passed at the members meeting. The appointment was advertised in the London Gazette and notice given to all known creditors. A report of the section 98 meeting of creditors was also sent to creditors on 24 October 2014.

An appropriate case file was set up together with the Insolvency Practitioners case records and a Liquidation bank account. A receipts and payment account has been maintained as required by Statement of Insolvency Practice 7 and this is regularly reconciled with the bank account.

## **Finlays (North East) Limited - In Liquidation**

### **Progress report**

---

The Joint Liquidators have also submitted the appropriate VAT forms, reconciled the liquidation bank account and carried out reviews of the liquidation file.

### **3. ASSETS REMAINING TO BE REALISED**

#### Investments

The last noted value of the John Menzies shares was £91.50. Further investigation will be made into whether the John Menzies shares are realisable, however the share certificates are yet to be located and given the low realisable value it may not be costs effective to realise this asset.

### **4. CREDITORS' CLAIMS AND DIVIDEND PROSPECTS**

#### 4.1. Secured Creditors

Barclays Bank plc hold a Fixed and Floating charge dated 17 April 2014. The Joint Liquidators have received a claim from Barclays in the sum of £167,174.51.

#### 4.2. Preferential Creditors

Preferential claims received in relation to arrears of pay and holiday pay have totalled £20,968.75

During the period the Joint Liquidators had to deal with many queries from the employees of the Company, these queries generally related to the claims they were submitting as preferential creditors

#### 4.3. Unsecured Creditors

Following their appointment the Joint Liquidators circulated all known creditors requesting that they submit a proof of debt. To date claims received total £1,372,575.40. However, the Joint Liquidators, having reviewed the Company records believe, that there are a number of creditors who have not yet submitted a claim.

During the period the Joint Liquidators have handled numerous queries from creditors in relation to various matter including but not limited to, retention of title claims, queries regarding their claims and general update on the progress of the liquidation.

The agreement of creditors' claims by the Joint Liquidators is a separate matter and will be dealt with as appropriate in due course, initially by reference to the proofs of debt lodged in the proceedings by creditors themselves.

#### 4.4. Prescribed Part

The "Prescribed Part" is a statutory amount, calculated as a percentage of net floating charge realisations, which entitles unsecured creditors to a share of realisations. This is calculated on a sliding scale up to maximum of £600,000 before costs.

The amount of the Prescribed Part of the assets under Section 176A of the Act is currently estimated at £9,600

### **5. RECEIPTS AND PAYMENTS SUMMARY**

We attach as Appendix B a summary of our receipts and payments for the period from 22 October 2013 to 21 October 2014.

#### 5.1. VAT Basis

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue and Customs shown separately.

## **6. COSTS AND JOINT LIQUIDATORS' REMUNERATION**

### **6.1. Joint Liquidators' Remuneration and Disbursements**

The Joint Liquidators' remuneration was approved on a time cost basis by the creditors on 22 October 2014.

Rowlands Restructuring & Insolvency have incurred time costs of £81,511.70 plus VAT since the date of appointment at an average hourly rate of £153.88. Of this, a total of £65,000 has been paid and £16,511.70 remains outstanding. Of the £65,000 that has been paid £10,000 relates to the fixed charge realisations. An analysis of time incurred in the period is attached at Appendix H

Baker Tilly have incurred time costs of £5,092.25 plus VAT since the date of appointment at an average hourly rate of £207.85. Of this, a total of £5,092.25 remains outstanding. An analysis of time incurred in the period is attached at Appendix I.

Approval was also given to the drawing of disbursements, including category 2 disbursements. Details of the current rates are attached at Appendices C & E.

Disbursements incurred in the period are detailed in Appendix F.

A copy of "A Creditors' Guide to Liquidator's Fees", issued by the Association of Business Recovery Professionals, which sets out the basis of fixing the Liquidator's Remuneration, is available at:

<http://rowlandsaccountants.co.uk/downloads/restructuring-and-insolvency>.

Please let me know if you would prefer a hard-copy of this guide

## **7. JOINT LIQUIDATORS' STATEMENT OF EXPENSES**

A statement of the expenses incurred during the period, is attached at Appendix G. This includes all expenses incurred by the Joint Liquidators in the period of the report irrespective of whether they have been paid or not and may include estimated amounts where actual invoices have not been received. The receipts and payments abstract at Appendix B sets out the expenses actually paid in the period.

At the Section 98 meeting on 22 October 2014 creditors approved that Rowlands Restructuring & Insolvency be paid a fee of £25,000 plus VAT and disbursements for the work they carried out in relation to the preparation of Statement of Affairs fee and work done to call and prepare the necessary paperwork for the meetings of Members and Creditors. These fees have been paid.

### **7.1. Detailed cost breakdown**

Attached to this report are seven Appendices relating to my costs on this assignment:

- Appendix C: Rowlands Restructuring & Insolvency's statement on remuneration and expenses in insolvency proceedings,
- Appendix D: Baker Tilly charging, expenses and disbursements policy;
- Appendix E: Baker Tilly current charge out and disbursement rates;
- Appendix F: Joint Liquidators' disbursements table;
- Appendix G: Joint Liquidators' statement of expenses;
- Appendix H: Rowlands Restructuring & Insolvency time cost analysis,
- Appendix I: Baker Tilly time cost analysis

The work that we do as Joint Liquidators is derived from the responsibilities placed upon us by the underlying legal and regulatory framework for work of this nature in general. The actual matters with which we are dealing are set out briefly in both this report and in our earlier reports to creditors.

We believe this case generally to be of average complexity, and accordingly no extraordinary responsibility has to date fallen upon us as Joint Liquidators. The underlying basis of charging proposed to and approved by the creditors has been Rowlands Restructuring & Insolvency standard charge out rates. Rowlands Restructuring & Insolvency charge out rates have been reviewed periodically.

#### 7.2. Other professional costs

Sintons Law, solicitors, have been retained as legal advisors in view of their general experience and expertise in these matters. Sintons had previously been instructed by the Company and a number of sale agreements had been drafted and significant work undertaken. It was decided that retaining Sintons services would be more cost effective as they were able to continue with the sales that were already under way and they had detailed knowledge of the Company and the various property leases as they had acted for a number of years.

I have agreed their remuneration on the basis of their standard hourly charge-out rates, plus VAT and disbursements, and their agreed fees and disbursements of £47,625 plus VAT have been paid. Of the £47,625 that has been paid £27,000 relates to fixed charge realisations.

Similarly, Christie & Co were already engaged by the Company to assist with the sale of a number of the stores. It was logical to engage them to assist with the sale of the other stores.

I have agreed their remuneration on the basis of an agreed rate per unit sold, plus VAT and disbursements, and their agreed fees and disbursements of £46,500 plus VAT have been paid. Of the £46,500.00 that has been paid £24,500.00 relates to fixed charge realisations.

Cottam & Co Ltd had been retained by the Company for a number of years and had detailed knowledge of the various trading units. They also had a good relationship with many of the landlords as they had acted in negotiations between the Company and the Landlords at various times.

They were also the agent who had been assisting with the sale of some of the shops prior to the Liquidation. The Joint Liquidators felt they were therefore best placed to further assist with shop sales following the liquidation. I have agreed their remuneration on the basis an agreed disposal strategy and cost per unit sold and a reduced cost per abortive/disclaimed unit where work had been undertaken to achieve a sale, plus VAT and disbursements, and their agreed fees and disbursements of £20,250 plus VAT have been paid. Of the £20,250.00 that has been paid £5,500.00 relates to fixed charge realisations

### **8. CREDITORS' RIGHT TO INFORMATION AND ABILITY TO CHALLENGE REMUNERATION AND EXPENSES**

In accordance with the provisions of Rules 4.49E and 4.131 of the Rules, creditors have a right to request further information about remuneration or expenses and to challenge such remuneration or expenses.

**Finlays (North East) Limited - In Liquidation**  
**Progress report**

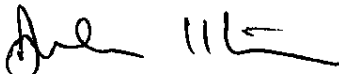
---

A request for further information must be made in writing within 21 days of receipt of this report.

Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to court that the remuneration charged, the basis fixed or expenses incurred by the liquidator are in all the circumstances excessive.

Any such challenge must be made no later than eight weeks after receipt of the report which first discloses the charging of remuneration or incurring of the expenses in question.

Should you have any further queries please do not hesitate to contact me



**ANDREW LITTLE**  
**ROWLANDS RESTRUCTURING & INSOLVENCY**  
**JOINT LIQUIDATOR**

Andrew Little is licensed to act as an Insolvency Practitioner in the UK by the Insolvency Practitioners Association. Steven Philip Ross is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales.

**COMPANY INFORMATION**

Company Name:	Finlays (North East) Limited
Company Number:	02674165
Date of Incorporation:	24/12/1991
Previous Company Names:	N/A
Trading Name:	"Finlays" and "Bargain Booze at Finlays"
Trading Address	1 St Marys Green Whickham Newcastle Upon Tyne Tyne & Wear NE16 4DN
Principal Activity:	Newsagents and off-licence
Registered Office:	8 High Street, Yarm, Stockton on Tees, TS15 9AE
Previous Registered Office:	1 St Marys Green Whickham Newcastle Upon Tyne Tyne & Wear NE16 4DN
Date Registered Office changed:	04 November 2013
Functions:	<p>The Joint Liquidators' appointment specified that they would have power to act jointly and severally.</p> <p>The Joint Liquidators' have exercised, and will continue to exercise, all of their functions jointly and severally as stated in the notice of appointment.</p>

# Appendix B

## RECEIPTS & PAYMENTS ACCOUNT FOR THE PERIOD 22 OCTOBER 2013 TO 22 OCTOBER 2014

SOA Value £		£	£
	<b>SECURED ASSETS</b>		
0.00	Contributions to Landlord Costs	4,280 00	
0.00	Contributions to rent arrears	2,023 99	
0.00	Goodwill	153,001 00	
			159,304.99
	<b>COST OF REALISATIONS</b>		
0.00	Bank/Transfer charges	(154 00)	
0 00	Insurance	(636 00)	
0.00	Land agents fees	(5,500.00)	
0 00	Land Registry Fee	(150 00)	
0 00	Landlord costs	(2,790.00)	
0 00	Legal Fees	(27,000 00)	
0.00	Liquidators Fees	(10,000.00)	
0.00	Rent arrears	(19,471.36)	
0 00	Sales agents fees	(24,500.00)	
			(90,201 36)
	<b>SECURED CREDITORS</b>		
(140,000.00)	Fixed Charge Claims	(69,103.63)	
			(69,103 63)
	<b>ASSET REALISATIONS</b>		
0 00	Bank Interest Gross	140 84	
22,195 85	Cash in hand at appointment	22,195.85	
0 00	Debtors	10,729 01	
15 00	Furniture, Fixtures and Fittings	149,999 00	
91 50	Investments	0 00	
15 00	Leasehold Property	0.00	
0.00	Licence to occupy fee	52,222 41	
0 00	Mobile Phone Sim Commission	8 00	
0 00	Newspapers Deliveries	3,900 31	
0 00	Postage compensation	50 00	
0.00	Rates Refunds	9,378 20	
0.00	Scratchcard Winnings	6,830.00	
10,000.00	Stock/Inventory on Hand	0 00	
			255,453 62

# **RECEIPTS & PAYMENTS ACCOUNT CONTINUED...**

COST OF REALISATIONS		
0 00	Bank/Transfer charges	(48 40)
0.00	Books & Stationery	(58.43)
0.00	Casual wages	(505.00)
0.00	Company Search	(8 00)
0 00	Courier	(160.00)
0.00	Debt Collection Fees	(1,808.51)
0.00	Insurance	(600.57)
0.00	Land agents fees	(14,750 00)
0.00	Land Registry Fee	(24.00)
0.00	Landlord costs	(320.00)
0 00	Legal Fees	(20,625.00)
0.00	Licence to occupy	(52,222.41)
0.00	Liquidators Fees	(55,000.00)
0.00	Mileage & travel expenses	(1,089 28)
0 00	Preparation of Statement of Affairs	(25,000.00)
0 00	Rent arrears	(1,582 22)
0 00	Repairs	(660.01)
0 00	Sales agents fees	(22,000 00)
0 00	Security Costs	(821 87)
0.00	Services charges	(682 96)
0 00	Specific Bond	(185.00)
0 00	Statutory Advertising	(315.00)
		<u>(198,466 66)</u>
PREFERENTIAL CREDITORS		
(25,000 00)	Holiday Pay	0.00
(25,000 00)	Wages	0.00
		<u>0 00</u>
FLOATING CHARGE CREDITORS		
(140,000 00)	Floating Charge Claims	0.00
		<u>0.00</u>
UNSECURED CREDITORS		
(107,683 00)	Deficiency In Security	0 00
(100,000 00)	Directors Loan Account	0.00
(100,000.00)	Employees	0 00
(90,000.00)	HM Revenue and Customs	0.00
(1,094,195 50)	Trade and Expense Creditors	0 00
		<u>0.00</u>
EQUITY		
(75,000 00)	Ordinary Shares	0.00
		<u>0.00</u>
(1,864,561.15)		<u>56,986.96</u>
REPRESENTED BY		
	Liquidation Current Account	51,112.67
	VAT Receivable (Payable)	5,874 29
		<u>56,986 96</u>
		<u>56,986.96</u>

**ROWLANDS RESTRUCTURING & INSOLVENCY**  
**STATEMENT ON REMUNERATION AND EXPENSES IN INSOLVENCY PROCEEDINGS**

**INTRODUCTION**

The insolvency legislation was changed in April 2010 for insolvency appointments commenced from that time in order to allow more flexibility on how an office holder's fees are charged to a case. This sheet explains how we may apply the alternative fee bases. The new legislation allows different fee bases to be used for different tasks within the same appointment. The basis or combination of bases set for a particular appointment are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the court.

Further detail about how an office holder's fees are approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9). A copy of these guides can be accessed and downloaded from [www.rowlandsaccountants.co.uk](http://www.rowlandsaccountants.co.uk). Alternatively a hard copy may be requested from Rowlands, 8 High Street, Yarm, Stockton on Tees, TS15 9AE or [insolvency@rowlandsaccountants.co.uk](mailto:insolvency@rowlandsaccountants.co.uk).

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn and time costs incurred and will also enable the recipients to see the average rates of such costs. Under the new legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under the old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

**POLICY**

In order to maximise the cost effectiveness of the work performed it is Rowlands normal policy to delegate certain tasks within the case to members of their staff subject to their experience and specialist skills with the provision of supervision as appropriate. Matters deemed to be complex or of significance will be dealt with by senior members of staff or the license holder.

**Time Cost Basis**

This is the basis that we use in the majority of cases and we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken. All staff who work on this assignment, including case support (such as cashiers and secretarial staff etc) charge time directly to the assignment and are included within any analysis of time. The costs of any central Rowlands administration or general Rowlands overhead costs are not charged directly to the assignment but are reflected in the general level of charge out rates.

The rates vary between individuals of each grade reflecting experience and qualification. Charge out rates may be revised periodically to cover and are adjusted to take account of inflation and the firm's overheads. In cases deemed to be particularly complex revised rates will be presented to creditors. The maximum current charge out rates per grade are currently:

<b>Grade</b>	<b>Rate (£) per hour (effective from 1 April 2014)</b>	<b>Rates (£) per hour (previous rates)</b>
Partner	250	240
Associate / Director	180	180
Manager	150	130
Case Handler / Administrator	90	85
Case support staff	21	20

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Each unit of time is 6 minutes. The work is recorded under the following categories including Administration and Planning, Investigations, Realisation of assets, Debtors, Creditors, Employee matters; and Trading.

#### Percentage Basis

The new legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal. Different percentages can be used for different assets or types of assets. Where we would like to realise any asset or type of assets on a percentage basis we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

#### Fixed Fee Basis

The new legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. Where we would like to charge a set amount for a task or different set amounts for different tasks we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

#### All Bases

The officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

#### AGENT'S COSTS

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes

- Solicitors / Legal Advisors
- Auctioneers / Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

#### DISBURSEMENTS

As part of our disclosure requirements the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses - are directly referable to an invoice from a third party, which is either in the name of the estate or Rowlands (or a partner / employee of the same), in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. These expenses may include, but are not limited to case advertising, money laundering fees, company search fees, specific penalty bond, identifiable telephone calls, postage at cost, external document storage, external room hire, external printing, invoiced travel, and properly reimbursed expenses incurred by Rowlands and its employees in connection with the case. Obtaining a specific penalty bond and advertising are disbursements that are required in each case as a result of statutory obligations imposed on the Insolvency Practitioner.

Category 2 expenses - are incurred by Rowlands and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, mileage at approved Inland

Revenue scale rates, and internal storage With the exception of photocopying, Rowlands do not typically recharge expenses and disbursements which include an element of shared or allocated costs of internal facilities such as stationery, room hire, communication facilities, printing, internal document storage etc.

Category 2 expenses that may be charged by Rowlands:

Mileage	£0 45 per mile
Storage Costs	£5 00 per box per year (no adjustment for part years)
Non Specific Company Searches	£10 00
Attestation	£10 00
Photocopying	up to 5p per sheet

TYPICAL TASKS UNDERTAKEN

Matters typically dealt with in the respective time breakdown categories during an insolvency procedure may include, but are not limited to, the following It should be noted that every insolvency case is different, and certain items may not be applicable to this case

Administration & Planning

Cash strategy and planning, cashiering, banking, bank reconciliations, obtaining specific bond and ongoing bond maintenance, any general insurance, uplift and ongoing maintenance of company books and records, filing; internal case progression reviews, case updates, and internal case meetings

Correspondence

All general correspondence excluding specific correspondence relating to other categories

Investigations

Collation and review of directors questionnaires, review of any matters raised by the creditors concerning the conduct of the directors, review of all recent bank transactions undertaken by the company; review of any transactions between the company and associated parties, review of the assets listed in the statement of affairs with the last available statutory accounts, collation of information and submission of a report on all directors in the 3 years prior to liquidation under the Company Directors Disqualification Act 1986

Additional investigations may also be undertaken in specific items at the request of the creditors committee (if any), and antecedent transactions including preferences, transaction at undervalue, misfeasance, breach of fiduciary duties etc

Debtors

Transfer of debtors ledger onto our software, reconciliation of debtors ledger and identification of any refunds, claims, collection of supporting evidence including invoices, proof of delivery, orders etc, corresponding with debtors to collect debts, review and assessment of any responses and/or counterclaims / disputes, general contact with debtors, instruction, liaison and correspondence with solicitors or debt collection agents, liaison with any invoice discounter or factor, and negotiation of any settlement

Realisation of Assets

All other assets excluding debtors including property (freehold and leasehold), intangible assets (intellectual property, patents, goodwill, copyrights etc) and chattel assets (e.g. furniture & equipment, stock, cash at bank, plant & machinery, work in progress, vehicles, computer equipment etc) Our work includes the preservation of such assets (arranging insurance, security etc), site visits, complying with fire brigade and insurer requirements (e.g. draining of heating system), arranging collection, preparation of sales particulars, liaising with valuers and agents, assessing and negotiating potential offers, and instructing and liaising with solicitors and reviewing any sale contract,

### Reservation of Title

Dealing with all third party assets (including reservation of title, hire purchase, consignment stock, leased assets etc) Our work includes identification of third party assets, reviewing any agreement associated with the assets; corresponding with the claimant, stock taking; arranging and managing uplift of the assets, surrender or disclaiming onerous leases / assets, submission of returns to Registrar of Companies and third parties following disclaimer, and, instructing and liaising with solicitors re: challenged claims.

### Statutory Matters

Undertaking and dealing with statutory matters required to comply with the various legislation concerning an insolvency including preparation and holding of creditors meeting, preparation of report/letters to creditors following appointment, submission of returns to Registrar of Companies and/or Court, preparation of adverts for insert in Gazette / newspaper, preparation of proposals, preparation of progress reports for creditors including receipts and payments, preparation of final reports including receipts and payments, together with the holding of final meetings, preparation of reports and updates for the Creditors Committee, together with any meetings required therein.

### Creditors

Dealing with all classes of creditors

Secured: confirming validity of security, reporting to secured creditor, ongoing communication with secured creditor, review of any claim and distribution thereunder, and instructing and dealing with solicitors

Preferential: identifying and notifying potential preferential creditors of ability to claim; review of calculation of preferential claim, ongoing communication with preferential creditors, review and adjudication of preferential claims, and, calculation and payment of dividend (if applicable)

Unsecured: identifying and notifying unsecured creditors of ability to claim, submission of pre appointment VAT returns, ongoing communication with unsecured and potential unsecured creditors, dealing with potential pension creditor; recording of unsecured claims; review and adjudication of unsecured claims, and, calculation and payment of unsecured dividend (if applicable)

### Employees

Notifying of appointment; issuing redundancy notices, and making employees redundant, assistance in completion of relevant forms to make claim from National Insurance Fund, calculation of outstanding entitlement, collation of claim forms and submission to National Insurance Fund, and ongoing employee correspondence

### Trading

Assessment of suitability to trade including preparation of profit and cash flow forecasts, company resources, risk analysis etc, assessing ongoing terms of trade with customers and suppliers, ongoing site presence to monitor and supervise trading, dealing with employees, customers and suppliers; internal reviews to assess ongoing trading, dealing with duress creditors; dealing with health & safety and legislative issues, liaising with insurers; instructing and liaising with solicitors, preparation of trading reports, reporting to funders / secured creditors, and dealing with trading compliance such as VAT, PAYE etc

### Other Matters

Items which would not normally fall into any of the above categories including travel, taxation (including processing of any post appointment returns to HMRC in respect of VAT, Corporation Tax etc), director correspondence (to the extent it is not within the other categories), general government returns, and miscellaneous items

**BAKER TILLY  
CHARGING, EXPENSES AND DISBURSEMENTS POLICY STATEMENT**

**Charging policy**

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators.
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate.
- Time is recorded in 6-minute units at the rates prevailing at the time the work is done
- The current charge rates for Baker Tilly Restructuring and Recovery LLP Sunderland (exRSMT) are attached
- Time billed is subject to Value Added Tax at the applicable rate, where appropriate
- It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it.
- Baker Tilly Restructuring and Recovery LLP's charge out rates are reviewed periodically.

**Expenses and disbursements policy**

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to the relevant approving party, but do not require approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as "Category 1" disbursements
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) or payments to outside parties that the firm or any associate has an interest, require the approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as "Category 2" disbursements
- A resolution to consider approving "Category 2" disbursements at the rates prevailing at the time the cost is incurred to Baker Tilly Restructuring and Recovery LLP Sunderland (exRSMT) will be proposed to the relevant approving party in accordance with the legislative requirements
- General office overheads are not re-charged to the insolvency estate as a disbursement.
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of the relevant approving party.
- Expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate, where appropriate

**BAKER TILLY**  
**CURRENT CHARGE OUT AND DISBURSEMENT RATES**

<b>HOURLY CHARGE OUT RATES</b>		
	<b>Rates at commencement</b>	<b>Current rates</b>
	<b>£</b>	<b>£</b>
Partner	320	320
Director/Associate Director	225	225
Manager	225	225
Administrator	120 to 175	120 to 175
Support staff	105	105

<b>"CATEGORY 2" DISBURSEMENT RATES</b>	
Internal room hire	£100 per hour
Subsistence	£25 per night (from 3 <sup>rd</sup> September 2013) £23 per night (up to 2 <sup>nd</sup> September 2013)
Travel (car)	38p per mile (up to and including 31 March 2010) 40p per mile (from 1 April 2010) 42.5p per mile (from 1 April 2011)
"Tracker" searches	£10 per case

Appendix F

**JOINT LIQUIDATORS' DISBURSEMENTS IN THE PERIOD 22 OCTOBER 2013 TO 21 OCTOBER 2014**

Recipient, Type and Purpose	Category	Paid	Unpaid
		£	£
Books and Stationery	1	58.43	
Company Search	1	8.00	
Mileage & travel expenses	1 & 2	1,089.28	35.15
Specific bond	1	185.00	125.00
Legal fees	1		40.92
<b>Total</b>		1,340.71	201.07

Appendix G

**STATEMENT OF EXPENSES INCURRED BY THE JOINT LIQUIDATORS' IN THE PERIOD 22 OCTOBER 2013 TO 21 OCTOBER 2014**

Type and Purpose	Fixed Charge Expenses	Other Expenses	Total
	£	£	£
Bank/Transfer charges	154.00	48.40	202.40
Casual wages		505.00	505.00
Courier		160.00	160.00
Debt collection fees		1,808.51	1,808.51
Insurance	636.00	600.57	1,236.57
Land agent fees	5,500.00	14,750.00	20,250.00
Land registry fees	150.00	24.00	174.00
Landlord costs	2,790.00	320.00	3,110.00
Legal fees	27,000.00	20,625.00	47,625.00
Licence to occupy		52,222.41	52,222.41
Preparation of Statement of Affairs		25,000.00	25,000.00
Rent arrears	19,471.36	1,582.22	21,053.58
Repairs		660.01	660.01
Sales agents fees	24,500.00	22,000.00	46,500.00
Security costs		821.87	821.87
Service charges		682.96	682.96
Statutory advertising		315.00	315.00
<b>Total</b>	<b>80,201.36</b>	<b>142,125.95</b>	<b>222,327.31</b>

**ROWLANDS RESTRUCTURING & INSOLVENCY  
JOINT LIQUIDATORS' TIME COST ANALYSIS**

**FOR THE PERIOD FROM 22 OCTOBER 2013 TO 21 OCTOBER 2014**

	Hours Spent					Time Costs £
	Partner	Manager	Admini- strator	Assistants & Support Staff	Total	
Administration and planning	13.50	38.40	35.30	0.00	87.20	10,372.10
Creditors	13.70	91.90	0.00	16.10	121.70	15,311.00
Realisation of assets	180.4	136.00	1.00	2.60	320.00	55,828.60
Investigations	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00
Case specific Matters	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total hours</b>	207.60	266.30	34.33	18.70	528.90	
<b>Total time costs</b>	42,949.00	35,641.00	2,545.10	376.60		81,511.70

**NOTE:** Please see the attached notes to the time analysis for an explanation of the type of work that is commonly undertaken in respect of each of the categories above.

Finlays (North East) Limited - In Liquidation  
Progress report

Appendix I

BAKER TILLY  
JOINT LIQUIDATORS' TIME COST ANALYSIS

FOR THE PERIOD FROM 22 OCTOBER 2013 TO 21 OCTOBER 2014

Period	Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
From Jan 2003										
Administration and Planning		0.0	1.2	0.5	0.0	2.5	0.1	4.3	£ 703.50	163.60
Case Management		0.0	0.0	0.5	0.0	0.0	0.0	0.5	£ 112.50	225.00
Post-appointment - general		0.0	1.2	1.0	0.0	2.5	0.1	4.8	£ 816.00	170.00
Total		0.0	2.4	2.0	0.0	5.0	0.2	9.6		
Investigations		0.0	10.5	0.0	0.0	1.0	0.0	11.5	£ 2,482.50	215.87
Investigations/CDDA		0.0	10.5	0.0	0.0	1.0	0.0	11.5	£ 2,482.50	215.87
Total		0.0	10.5	0.0	0.0	1.0	0.0	11.5		
Realisation of Assets		0.0	0.0	2.1	0.0	0.0	0.0	2.1	£ 472.50	225.00
Assets - general/other		0.0	0.0	2.1	0.0	0.0	0.0	2.1	£ 472.50	225.00
Land and Property		0.0	0.0	4.3	0.0	0.8	0.0	5.1	£ 1,066.25	214.95
Total		0.0	0.0	6.4	0.0	0.8	0.0	7.2	£ 1,538.75	217.88
Creditors		0.0	0.0	1.0	0.0	0.0	0.0	1.0	£ 225.00	225.00
Unsecured Creditors		0.0	0.0	1.0	0.0	0.0	0.0	1.0	£ 225.00	225.00
Total		0.0	0.0	1.0	0.0	0.0	0.0	1.0		
Total Hours (From Jan 2003)		0.0	11.7	8.4	0.0	4.3	0.1	24.5	£ 5,092.25	207.85
Total Time Cost (From Jan 2003)		£ 0.00	£ 2,632.50	£ 1,878.75	£ 0.00	£ 571.00	£ 10.00	£ 5,092.25		
Total Hours		0.0	11.7	8.4	0.0	4.3	0.1	24.5	£ 5,092.25	207.85
Total Time Cost		£ 0.00	£ 2,632.50	£ 1,878.75	£ 0.00	£ 571.00	£ 10.00	£ 5,092.25		
Average Rates		0.00	225.00	223.66	0.00	132.79	100.00	207.85		

**EXTRACTS FROM THE INSOLVENCY RULES 1986, AS AMENDED**

**4.49E Creditors' and members' request for further information**

- (1) If—
  - (a) within the period mentioned in paragraph (2)—
    - (i) a secured creditor, or
    - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
    - (iii) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company, or
  - (b) with the permission of the court upon an application made within the period mentioned in paragraph (2)—
    - (i) any unsecured creditor, or
    - (ii) any member of the company in a members' voluntary winding up, makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4.49B(1)(e) or (f) (including by virtue of Rule 4.49C(5)) or in a draft report under Rule 4.49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter in a draft report under Rule 4.49D or a progress report required by Rule 4.108 which (in either case) was previously included in a progress report not required by Rule 4.108.
- (2) The period referred to in paragraph (1)(a) and (b) is—
  - (a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4.108, and
  - (b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case.
- (3) The liquidator complies with this paragraph by either—
  - (a) providing all of the information asked for, or
  - (b) so far as the liquidator considers that—
    - (i) the time or cost of preparation of the information would be excessive, or
    - (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
    - (iii) the liquidator is subject to an obligation of confidentiality in respect of the information,giving reasons for not providing all of the information
- (4) Any creditor, and any member of the company in a members' voluntary winding up, who need not be the same as the creditors or members who asked for the information, may apply to the court within 21 days of—
  - (a) the giving by the liquidator of reasons for not providing all of the information asked for, or
  - (b) the expiry of the 14 days provided for in paragraph (1),and the court may make such order as it thinks just.

- (5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks or, as the case may be, 4 weeks provided for in Rule 4.131(1B) or 4.148C(2) by such further period as the court thinks just.
- (6) This Rule does not apply where the liquidator is the official receiver.

**4.131.— Creditors' claim that remuneration is or other expenses are excessive**

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4).
- (1A) Application may be made on the grounds that—
  - (a) the remuneration charged by the liquidator,
  - (b) the basis fixed for the liquidator's remuneration under Rule 4.127, or
  - (c) expenses incurred by the liquidator,
 is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate.
- (1B) The application must, subject to any order of the court under Rule 4.49E(5), be made no later than 8 weeks (or, in a case falling within Rule 4.108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4.49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").
- (2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application; but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice but which is without notice to any other party.

If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly.

- (3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it.
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
  - (a) an order reducing the amount of remuneration which the liquidator was entitled to charge;
  - (b) an order fixing the basis of remuneration at a reduced rate or amount;
  - (c) an order changing the basis of remuneration;
  - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation;
  - (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify;
 and may make any other order that it thinks just; but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report.
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation.