

*Complete  
Report  
TO  
16/8/11*

9 September 2011

**TO ALL KNOWN CREDITORS**

Our ref

IMD/JD/AJ/IDZ0001/AJ/4

When calling please ask for Angela Jarvis

Dear Sirs

**02958567 LIMITED – IN COMPULSORY LIQUIDATION ("the Company")  
COURT REFERENCE – HIGH COURT OF JUSTICE NO 3871 OF 2010**

Please find attached a copy of my progress report on the liquidation for the year ended 16 August 2011

By way of reminder, I was appointed Liquidator of the Company on 17 August 2010. I am licensed to act as an Insolvency Practitioner by the ICAEW.

A meeting of creditors has been convened in the above matter, to be held at 105 St Peters Street, St Albans, Herts AL1 3EJ on 5 October 2011 at 10.30am.

Notice of the meeting is attached, together with a proxy form, the latter to be completed and returned to this office by no later than 12.00 noon on 4 October 2011.

The purpose of the meeting is to obtain approval to draw Category 2 disbursements. These disbursements can include costs incurred payable for the provision of services to the office holder which include an element of recharged overhead. A copy of Kingston Smith & Partners LLP policy is attached for your attention.

If you have any queries regarding this report, please contact Angela Jarvis on 01727 896069.

Yours faithfully

  
**IAN M DEFTY**  
Liquidator

Enc

SATURDAY



A1Q 17/09/2011 104  
COMPANIES HOUSE

**Kingston Smith and Partners LLP** Licensed Insolvency Practitioners

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City Office: Devonshire House 60 Goswell Road London EC1M 7AD Telephone 020 7566 4020 Fax 020 7566 4021 Also at: Hayes Redhill Romford, West End (London)

A list of partners is available for inspection at the above address.

A list of personnel permitted by Kingston Smith & Partners LLP to accept appointments as insolvency practitioners and of their respective authorising bodies may be inspected at the above address. Partners acting as administrative receivers, administrators or supervisors of voluntary arrangements act as agents for the debtor and without personal liability.

Registered in England and Wales as a Limited Liability Partnership: No OC304165  
Registered office: Devonshire House 60 Goswell Road London EC1M 7AD

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**02958567 LIMITED – IN COMPULSORY LIQUIDATION**

**COMPANY NUMBER: 02958567**

**THE INSOLVENCY ACT 1986**

**TRADING ADDRESS:**

196 Elliot Street, Tyldesley  
Manchester, M29 8DS

**REGISTERED OFFICE:**

105 St Peter's Street, St Albans,  
Herts, AL1 3EJ

NOTICE IS HEREBY GIVEN pursuant to the Insolvency Act 1986 that a meeting of creditors of the above Company will be held at 105 St Peter's Street, St Albans, Herts, AL1 3EJ on 5 October 2011 at 10 30 am for the purpose of obtaining a resolution to draw Category 2 disbursements as per the attached policy schedule

A proxy form is enclosed which, to enable a creditor to vote, must be lodged, together with a proof of debt, at the offices of Kingston Smith & Partners LLP, 105 St Peter's Street, St Albans, Herts, AL1 3EJ not later than 12 00 noon on 4 October 2011. The proxy form and statement may be posted or sent by fax to 01727 896028

Secured creditors may only vote for the balance of the debt which will not be recovered by enforcement of the security, unless right to enforce is waived

DATED 9 SEPTEMBER 2011



IAN M DEFTY

Liquidator

# **Liquidator's Annual Progress Report to Creditors**

**02958567 Limited**

**- In Compulsory Liquidation**

**9 September 2011**

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- B** Time Analysis for the period 17 August 2010 to 16 August 2011
- C** Additional Information in relation to Liquidator's fees pursuant to Statement of Insolvency Practice No 9

## **1 Introduction and Statutory Information**

1 1 I, Ian Mark Defty of Kingston Smith & Partners LLP, was appointed as Liquidator of 02958567 Limited (the **Company**), formerly known as Sharman's Limited on 17 August 2010 following the presentation of a petition for the compulsory winding up of the Company made on 23 June 2010 in the High Court of Justice under court reference number 3871 of 2010. This report provides an update on the progress in the liquidation for the year ended 16 August 2011.

1 2 The trading address of the Company was 196 Elliot Street, Tyldesley, Manchester, M29 8DS.

1 3 The registered office of the Company has been changed to 105 St Peter's Street, St Albans, Herts, AL1 3EJ and its registered number is 02958567.

## **2 Realisation of Assets**

2 1 There are no known assets in the liquidation.

## **3 Investigations**

3 1 As you may be aware, in a compulsory liquidation the duty to investigate the Company's affairs is the responsibility of the Official Receiver. There is no requirement on the liquidator to submit a report or return on the directors' conduct to the Department for Business Innovation and Skills, however where matters are brought to the liquidator's attention these are reported as appropriate to the Official Receiver for further consideration.

3 2 I interviewed the directors to ascertain the day to day workings of the business.

3 3 I have taken possession of the Company books and records which have been reviewed and analysed.

3 4 I have been in contact with the company accountant and reviewed working papers relating to the accounts.

3 5 I have been in contact with various third parties with the aim of recovering further records of the business and to determine whether there are any assets which can be realised for the benefit of creditors including solicitors and agents.

3 6 I have been in contact with the Company's bankers and requested copy cheques for a number of transactions believed to be linked to payments involving the tax scheme entered. Unfortunately, due to the dates in question, the bank no longer hold these records and I have been unable to progress this line of enquiry.

3 7 I have instructed solicitors to assess claims against the directors with a view to recovering funds for creditors. To date, time incurred by my solicitors is approximately £1,200 plus VAT. Instruction has been given on a conditional fee basis and payment will be dependant upon any realisations made.

#### **4 Creditors**

##### ***Secured Creditors***

4 1 There are no secured creditors in the liquidation.

##### ***Preferential Creditors***

4 2 There are no preferential creditors in the liquidation.

##### ***Unsecured Creditors***

4 3 I have received claims totalling £29,752 from 1 creditor.

4 4 At present it is unlikely that a distribution will be made to unsecured creditors.

#### **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 from 17 August 2010 to 16 August 2011 are £12,141.01. This represents 64.83 hours at an average rate of £187.27 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by me in managing the Liquidation. To date, no funds have been drawn.

5 3 As you will see from Appendix B the majority of time incurred to date is recorded in the investigations section. A significant amount of time has been spent in communications with HMRC, the Company accountants and the directors to collect information regarding the trading activity of the Company. A review of the accounting records has also been undertaken leading to potential claims being identified.

- 5 4 Time was also incurred in liaising with our solicitors Clarke Willmott to discuss claims against the directors and formulate a strategy to commence litigation against them
- 5 5 The remaining time has been spread across the activities of administration & planning, and creditors, depending on the task completed
- 5 6 Attached as Appendix C is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade
- 5 7 Since the 17 August 2010, no disbursements have been drawn

## **6 Liquidator's Expenses**

- 6 1 My SIP 9 appendix shows Category 1 disbursements totalling £411 43 This figure consists of £12 in respect of my statutory insolvency bond and £256 50 for travelling to and from meetings with various parties as detailed above In addition, £1 has been incurred for Companies House searches, £76 06 for transcription costs and £65 87 for statutory advertising

## **7 Creditors' rights**

- 7 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
- 7 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

## **8 Next Report**

- 8.1 I am required to provide a further report on the progress of the liquidation within two months of the end of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final progress report ahead of convening the final meeting of creditors

Yours faithfully



IAN M DEERY  
Liquidator

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**02958567 Limited  
(In Liquidation)**

**LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT**

	Statement of affairs £	From 17/08/2010 To 16/08/2011 £	From 17/08/2010 To 16/08/2011 £
<b>RECEIPTS</b>			
Petitioners Deposit		1,000 00	1,000 00
		<u>1,000 00</u>	<u>1,000 00</u>
<b>PAYMENTS</b>			
O R Remuneration		2,235 00	2,235 00
Bank Charges		72 00	72 00
		<u>2,307 00</u>	<u>2,307 00</u>
<b>BALANCE - 16 August 2011</b>			<u><u>(1,307.00)</u></u>

Note

  
\_\_\_\_\_  
Ian Defty  
Liquidator

02958567 Limited

Summary of Fees and Expenses

From 17/08/2010

To 16/08/2011

Time Costs

The following is a summary of the time costs incurred by the Office Holder and his staff in the administration of this matter. It should be read in conjunction with the Office Holder's Report for the period referred to above.

Work Activity	<u>Partner Hrs</u>	<u>Manager /Supervisor Hrs</u>	<u>Admini- strator Hrs</u>	<u>Other Hrs</u>	<u>Transfers Hrs</u>	<u>Total Time Hrs</u>	<u>Time Costs</u>	<u>Avg Costs</u>
Administration & planning	2.50	6.83	9.08			18.42	3,900.59	211.80
Investigations		18.25	24.42			42.67	7,617.59	178.54
Realisation of assets	0.08	0.08	0.08			0.25	67.49	269.96
Creditors		0.67	2.83			3.50	555.34	158.67
Unbilled Time as at 30th November 2002								
Billed Time as at 30th November 2002								
Grand Total	<u>2.58</u>	<u>25.83</u>	<u>36.42</u>			<u>64.83</u>	<u>12,141.01</u>	

Notes

- 1 All costs are shown excluding VAT and include an element of undrawn work in progress. It should also be noted that the office holder's fees and other expenses included in his Abstract Receipts and Payments, will include unrecoverable VAT, where the insolvent was not formerly registered for VAT.
- 2 The time accounting system utilised by Kingston Smith & Partners LLP does not allow for analysis of time, by task, prior to 30 November 2002.

## Appendix C

### ADDITIONAL INFORMATION IN RELATION TO LIQUIDATOR'S FEES PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9 (SIP9)

#### 1 Policy

Detailed below is Kingston Smith & Partners LLP's policy in relation to

- Staff allocation and the use of subcontractors
- Professional advisors
- Disbursements

##### 1.1 *Staff allocation and the use of subcontractors*

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will usually consist of a Partner, Manager, Administrator and/or an Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case.

We have not utilised the services of any subcontractors in this case.

##### 1.2 *Professional advisors*

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.

Name of Professional Advisor	Basis of Fee Arrangement
Clarke Willmott (legal advice)	CFA basis
Willis (insurance)	Scale rate

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.

### 1.3 Disbursements

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.

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred by Kingston Smith & Partners LLP for the provision of services which include an element of recharged overhead, for example, room hire or document storage.

On this case the following Category 2 disbursements have been incurred since appointment

Type and purpose	£
Photocopying	10.80
Postage	6.00
<b>Total</b>	<b>16.80</b>

## 2 Charge-out rates

A schedule of Kingston Smith & Partners LLP charge-out rates was issued to creditors at the time the basis of the Liquidator's remuneration was approved. Below are details of this firm's charge out rates which have been applied with effect from 1 May 2011.

	(Per hour) £
Partner	416
Senior Manager	302/320
Assistant Manager/Manager	250/300
Senior Administrator/Supervisor	213/229
Administrator	140/161

**KINGSTON SMITH & PARTNERS LLP**  
**STATEMENT OF POLICY ON FEES IN INSOLVENCY PROCEEDINGS**

**Introduction**

This statement has been prepared in accordance with guidelines set out in Statement of Insolvency Practice 9 issued by the Association of Business Recovery Specialists (R3) as at 1 August 2005

The following information applies to all appointments of partners or staff of Kingston Smith & Partners LLP, to act as any of the following -

Liquidator, Receiver, Administrator or Administrative Receivership of a Limited Company  
Trustee in Bankruptcy  
Supervisor of an Individual, Company or Partnership Voluntary Arrangement  
Administrator under the Insolvent Estates Order

When acting as Nominee, the provisions of the Insolvency Act require that the amount of the fees payable to the Office-holder be specified within the Debtor's proposals. Such fees will nevertheless be fixed to take account of the Office-holder's expected time costs arising as referred to below

**Policy on fees**

Unless otherwise fixed in accordance with the Insolvency Act 1986, an Office Holder's fees are charged by reference to time costs, as incurred, charged at the firm's usual rates applicable at the time the work is carried out. Rates may be varied from time to time, at the sole discretion of Kingston Smith & Partners LLP, and such changes will be notified in retrospect with each report to Creditors. It is the policy of Kingston Smith & Partners LLP to use as junior grade of staff as compatible with the efficient conduct of the matter in order to ensure costs are kept to a minimum

As at 1 <sup>st</sup> May 2011 the rates applicable are	Grade	£
	Partner	416
	Senior Manager	302/320
	Supervisor/Assistant Manager/Manager	229/300
	Senior Administrator	213
	Administrator	140/161

Rates vary between individuals, reflecting experience and qualification. For certain more complex tasks, Kingston Smith & Partners LLP may seek to apply a higher rate in respect of work undertaken, but subject to prior authorisation in accordance with the Act. From 1<sup>st</sup> November 2004, Kingston Smith & Partners LLP do not charge time spent by support staff or for work of a general cashing nature. However, in instances where it is cost effective to carry out work of a specific nature, rather than use an external source, a time charge is made.

For further information on the manner in which an Office Holder's fees may be fixed, please refer to the attached guidance notes in relation to fees

**Disbursements**

Sundry disbursements have been charged in accordance with the following standard provisions -

Ordinary correspondence	No charge is levied for stationery or postage as this is deemed to be paid by secretarial time as charged
Circulars and reports	A charge for production of each copy of a circular report is made at 15p per sheet. Postage is also charged on the issue of reports at the prevailing rate
For storage alternatively at	Storage is either billed to specific cases by the storage company or 16p per box per week

Rooms used for meetings at Kingston Smith & Partners LLP are charged by reference to comparable commercial facilities available locally, currently as follows

	£
London	200
Other offices	100

**Authorising Bodies**

Nick Miller, Ian Defty and Ian Robert – Institute of Chartered Accountants in England & Wales   Brian Baker – Insolvency Practitioners Association   Michaela Hall – ACCA