

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192 of the Insolvency Act 1986

To the Registrar of Companies

Company Number

03767018

Name of Company

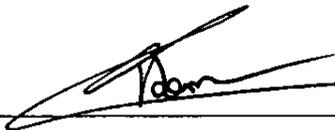
TWS (Leeds) Limited

I / We
Robert David Adamson
Mazars House
Gelderd Road
Gildersome
Leeds
LS27 7JN

Tim Alan Askham
Mazars House
Gelderd Road
Gildersome
Leeds
LS27 7JN

the liquidator(s) of the company attach a copy of my/our Progress Report under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 13/01/2014 to 12/01/2015

Signed 

Date 13/3/15

Mazars LLP
Mazars House
Gelderd Road
Gildersome
Leeds
LS27 7JN

Ref TWSL01/RDA/TAA/CZH/szb/ASB

SATURDAY



A07 14/03/2015 #195
COMPANIES HOUSE

TWS (LEEDS) LIMITED - IN LIQUIDATION (“the Company”)

Progress Report to Creditors & Members

This is the Liquidators’ annual progress report to all known creditors and members

1. Statutory information

- 1.1 I was appointed Joint Liquidator of the Company together with Mr T A Askham at a meeting of creditors held on 13 January 2014. My address is Mazars House, Gelderd Road, Gildersome, Leeds, LS27 7JN
- 1.2 I am authorised to act as an Insolvency Practitioner in the UK by the Insolvency Practitioners Association and Mr T A Askham is authorised in the UK by the Institute of Chartered Accountants in England and Wales
- 1.3 The Company formerly traded from Empress House, 14 New Hold Industrial Estate, Garforth, Leeds, West Yorkshire, LS25 2LD. The business traded under the name TWS (Leeds) Limited
- 1.4 The registered office of the Company is Mazars House, Gelderd Road, Gildersome, Leeds, LS27 7JN and its registered number is 03767018

2. Details of progress

- 2.1 Prior to my appointment, the Company held a current account with Yorkshire Bank (“the Bank”). At the date of appointment, it was estimated that the account held a credit balance of approximately £2,174, however, after writing to the Bank the sum of £2,030 was transferred to the Liquidation from the Company’s bank account. This is marginally less than anticipated and is due to charges being applied to the account.

There will be no further realisations from this source

- 2.2 The Company’s saleable assets were plant & machinery, office furniture & equipment, motor vehicles, intellectual property and work in progress

A sale of the Company’s assets took place to TWS (Selby) Limited on 28 January 2014, for £17,500 plus VAT. The sale was agreed upon the recommendation of independent agents, Michael Steel & Co

The assets purchased and the funds allocated to each category is as follows -

Plant & Machinery & Office Equipment	6,100
Motor Vehicles	11,399
IP & WIP	1
Total	<u>17,500</u>

Of the total sale consideration, £8,750 plus VAT was payable on completion and was duly received and the balance of £8,750 plus VAT was due within 60 days

The balance of the sale consideration has not been paid in accordance with the terms of sale agreement. A total of £10,750 plus VAT has been received to date and I am currently pursuing the remaining sale consideration in the sum of £6,750 plus VAT

- 2.3 At the date of appointment, the Company had an outstanding book debt ledger of £197,201. However, the directors advised me that the majority of the ledger was uncollectable due to disputes and was, therefore, estimated to realise £30,000 for the purposes of the Statement of Affairs

Mazars Receivables Management was subsequently engaged to collect the outstanding ledger with the assistance of the directors. Only £1,300 has been realised to date and the remaining book debts in the sum of £28,700 have been written off due to disputes

There will be no further realisations in this regard

- 2.4 During the period of this report, I have also received an unexpected refund of £75 from the DVLA

3. Connected Party Transactions

- 3.1 I can confirm that there has been a connected party transaction in this instance

As detailed above, a sale of the Company's assets took place to TWS (Selby) Limited on 28 January 2014, for £17,500 plus VAT. Of the total consideration, £8,750 plus VAT was paid on completion with the balance of £8,750 plus VAT due within 60 days

The assets purchased and the funds allocated to each category is as follows -

	£
Plant & Machinery	6,100
Motor Vehicles	11,399
WIP	1
Total	<u>17,500</u>

TWS (Selby) Limited and the Company share a common director in Mr Antony Grindley

As a liquidation committee was not formed in the Liquidation, there was no consultation with creditors prior to the sale being finalised. The sale was, however, conducted at arms length and as discussed above, the offer received for the Company's assets was recommended by independent agents Michael Steel & Co

4. Receipts and payments Account

4.1 A summary of receipts and payments covering the period from the 13 January 2014 to 12 January 2015 is attached at Appendix A

5. Assets still to be realised

5.1 As advised above, TWS (Selby) Limited is currently in arrears in relation to the deferred element of the sale consideration, in the sum of £6,750 plus VAT of £1,750. I have requested payment of this amount immediately and creditors will be provided with an update within my next report

6.1 Liabilities

6.1.1 Secured Creditors

According to Companies House, Barclays Bank PLC ("Barclays") hold a legal charge over the land and buildings of plot 16 and part plot 14 (Unit 14B) Newhold Industrial Estate, Garforth, Leeds, West Yorkshire. The charge was created on 12 January 2001 and registered on 16 January 2001. The directors of the Company have advised that there is no liability due to Barclays under this charge.

Barclays Bank PLC are also identified as holding fixed and floating charges over the property and assets of the Company. The charges were created 7 July 2005 and registered on 14 July 2005. The directors of the Company have advised that there is no liability due to Barclays Bank under this charge.

Clydesdale Bank PLC, trading as Yorkshire Bank PLC hold fixed and floating charges over the property and assets of the Company. The charge was created on 18 February 2009 and registered on 21 February 2009 and relates to the overdraft facility available on the Company's bank account. However, as advised above, the Company's account was in credit at the date of appointment and the overdraft facility was not being utilised at that date.

There is, therefore, no secured liability in the Liquidation.

6.1.2 Preferential Creditors

Preferential claims arise in respect of unpaid wages and holiday pay arrears for the employees of the Company who were made redundant prior to the Liquidation.

To date, I am in receipt of preferential claims totalling £10,529. Based upon current indications, there will not be sufficient funds available to allow a distribution to preferential creditors in this instance.

6.1.3 Unsecured Creditors

According to the Company's books and records, the Company had unsecured creditors totalling £874,593.58.

To date, claims totalling £650,160.89 have been received. However, I will not be agreeing any claims, as unfortunately there are insufficient funds to allow a distribution to unsecured creditors in this instance.

7 Prescribed Part

7.1 In accordance with Section 176A of the Insolvency Act 1986, a proportion of the Company's net assets are to be set aside for the benefit of the Company's unsecured creditors where the Company has granted a floating charge after 15 September 2003. This is calculated as being 50% of the first £10,000 of net property and 20% of net property thereafter subject to a maximum fund of £600,000. Net property is defined as being the realisations from assets subject to the floating charge after costs and after settlement of the preferential creditors' claims.

7.2 As there is no floating charge liability in the Liquidation, a prescribed part calculation is not required in this instance.

8 Remuneration

8.1 I can confirm that the Joint Liquidators' remuneration was fixed on a time cost basis at the meeting of creditors held on 13 January 2014.

8.2 Total time charged over the course of the Liquidation is 76.20 hours totalling £10,325, giving an average hourly rate of £135.49. Detailed at Appendix B is a summary of time spent during the period covered by this report in accordance with SIP9.

8.3 Remuneration in the sum of £4,000 plus VAT has been drawn during the period of this report.

8.4 I anticipate that my future costs will be in the region of £6,000. This includes the time incurred preparing this report, finalising the matter of the outstanding sale consideration and costs to closure.

8.5 I have also drawn my Statement of Affairs fee in the sum of £3,000 plus VAT, in payment of services rendered in relation to the preparation of the Statement of Affairs. This was also resolved at the meeting of creditors held on 13 January 2014.

8.6 Charge out rates are reviewed annually on 1 September and in common with other professional firms, may increase over the period of the administration of the case. The rates are appropriate to the skills and experience of the team member and the work that they perform. All staff that work on the case, including cashiers, support and any

secretarial staff charge their time directly to the assignment. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.

Details of the charge out rates of the team members employed on the assignment during the period covered by this report are detailed at Appendix C. Specialist departments within our firm, such as tax and VAT, may charge a small number of hours if and when we require their expert advice. Such specialists' rates do vary but I have also enclosed at Appendix C, and indication of the maximum rate per hour for these specialists.

8.7 Costs met by and reimbursed to the Liquidator in connection with the Liquidation fall into two categories as follows:

- Category 1 disbursements – these are costs where there is specific expenditure directly referable to both the liquidation and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the liquidator or his or her staff.
- Category 2 disbursements – these are costs that are directly referable to the liquidation but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the liquidation on a proper and reasonable basis, for example, business mileage. These are referred to as “allocated disbursements” in our reports.

The drawing of category 2 disbursements where applicable was also approved at the first meeting of creditors, however, no allocated disbursements have been incurred in this case to date.

Category 1

Disbursements in the sum of £974.76 have been incurred during the period of this report. This amount relates to statutory advertising of £307.80, bordereau of £120 and insurance of £546.96.

8.8 I would advise you that pursuant to rule 4.49E of the Insolvency Rules 1986, a secured creditor or an unsecured creditor with concurrence of at least 5% in value of the unsecured creditors or an unsecured creditor with permission of the court, may, within 21 days of receipt of this progress report, ask the liquidator for further information about the remuneration and expenses set out in this progress report.

8.9 Additionally, pursuant to rule 4.131 of the Insolvency rules 1986, a secured creditor or an unsecured creditor with concurrence of at least 10% in value of the unsecured creditors or an unsecured creditor with the permission of the court may, within 8 weeks of the receipt of this progress report, apply to the court on one or more of the following grounds:

- the remuneration charged by the Liquidators, or
- the basis fixed for the Liquidators' remuneration, or
- expenses incurred by the Liquidators

is or are in all of the circumstances, excessive or inappropriate.

8 10 In accordance with SIP 9, a guide entitled "A creditors' guide to Liquidators' fees" is available to download from the website <http://www.insolvency-practitioners.org.uk/page.aspx?pageID=104> or alternatively will be provided free of charge upon written request to this office

9. Professional advisors

9 1 The professional advisors used on this assignment are as follows

Name	Nature of Work	Basis of fee Arrangement
HLW Keeble Hawson	Legal assistance with the sale of the Company's assets	Time Cost
Michael Steel & Co	Valuation of the Company's assets	Time Cost

9 2 HLW have been paid £2,262 plus VAT in connection with their charges for legal advice in relation to the sale of the Company's assets to TWS (Selby) Limited. They have no outstanding fees in this matter.

9 3 Michael Steel & Co has been paid £1,000 plus VAT in relation to their charges in connection with the valuation of the Company's assets. They have no outstanding fees in this matter.

9 4 The Liquidators' choice was based on their perception of the advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them.

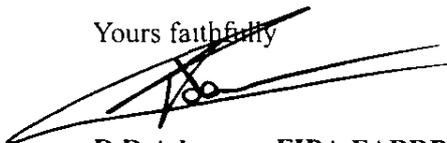
9 5 The Liquidators' have reviewed the fees incurred to date and are satisfied that they are reasonable in the circumstances of the case.

10. Investigations

10 1 The Liquidators have reviewed the affairs of the Company prior to the Liquidation in discharging their duties under the Company Directors Disqualification Act 1986.

10 2 Creditors are reminded that the Liquidator has a statutory obligation to consider the directors' conduct and to submit a return / report to the Department for Business Innovation & Skills' Disqualification Unit. The Liquidators can confirm that this obligation has been complied with.

Yours faithfully



R D Adamson FIPA FABRP
Joint Liquidator

Dated 10 March 2015

Authorised to act as an insolvency practitioner in the UK by the Insolvency Practitioners Association

TWS (Leeds) Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs	From 13/01/2014 To 12/01/2015	From 13/01/2014 To 12/01/2015	
ASSET REALISATIONS			
5,000 00	Plant & Machinery	5,000 00	5,000 00
1,100 00	Furniture & Equipment	1,100 00	1,100 00
19,150 00	Motor Vehicles	4,650 00	4,650 00
1,750 00	Showroom Display	NIL	NIL
30 000 00	Book Debts	1,130 00	1,130 00
2,174 36	Cash at Bank	2,030 40	2,030 40
	DVLA Refund	75 00	75 00
		<u>13,985 40</u>	<u>13,985 40</u>
COST OF REALISATIONS			
	Preparation of S of A	3,000 00	3,000 00
	Joint Liquidators Remuneration	4,000 00	4,000 00
	Joint Liquidators Disbursements	427 80	427 80
	Agents/Valuers Fees	1,000 00	1,000 00
	Legal Fees	2,262 00	2,262 00
	Insurance of Assets	546 96	546 96
		<u>(11,236 76)</u>	<u>(11,236 76)</u>
PREFERENTIAL CREDITORS			
(9,000 00)	Employees Wage Arrears & Holiday Pay	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
UNSECURED CREDITORS			
(393,439 10)	Trade & Expense Creditors	NIL	NIL
(36,000 00)	Redundancy Payment Service	NIL	NIL
(77,764 00)	Directors	NIL	NIL
(143,012 76)	HMRC re VAT	NIL	NIL
(159,817 72)	HMRC re PAYE & NI	NIL	NIL
(64,560 00)	Rent Arrears	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
DISTRIBUTIONS			
(100 00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(824,519.22)</u>		<u>2,748.64</u>	<u>2,748 64</u>

TWS (LEEDS) LIMITED - IN LIQUIDATION

Analysis of Liquidators' time costs for the period 13/01/2014 to 12/01/2015

Classification of Work Function	Hours					Total	Time	Av hourly
	Partner	Director	Manager	Administrator	Support	Hours	Cost	Rate
1 Admin & Planning				4 30		4 30	430 00	100 00
2 Taxation				0 60	1 40	2 00	187 60	93 80
3 Investigations	0 90		0 50	3 10		4 50	700 80	155 73
4 Realisation of Assets	5 50	0 2	0 20	5 30		11 20	2,367 10	221 57
5 Employees			0 10	8 70		8 80	884 90	100 56
6 Creditors				11 00		11 00	1,100 00	100 00
7 Reporting	2 50		0 10	2 00		4 60	1,013 60	220 35
8 Cashiering				0 20	22 70	22 90	2,283 80	99 73
9 Statutory & Compliance	2 70		0 60	3 60		6 90	1,357 20	196 70
Total Hours	11 60	0.20	1 50	38 80	24.10	76 20		
Total Time Costs (£)	3,677 20	45.40	316.50	3,875 90	2,410.00		10,325.00	
Av Hourly Rate	317 00	227.00	211.00	99 89	100.00			135.49

Appendix C

Guidance for creditors on charge out rates

Charge out rates from 1st September 2011 to 31st August 2015

It is anticipated that the following grades of personnel will work on the above case. Their current charge out rates are set out below.

Grade of personnel	Hourly charge out rate (up to £)
Partner	317 00
Director	243 00
Senior manager	211 00
Manager	185 00
Senior Administrator/Assistant Manager	160 00
Administrator	115 00
Junior Administrator	58 00
Cashier	100 00

Charge out rates are reviewed annually on 1 September and may be adjusted to take into account inflation and the firm's overheads. The rates are appropriate to the skills and experience of the team member and the work that they perform. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.

Allocated disbursements

It is proposed that the following allocated expenses of administering the case be charged -

- Company search(es) Searches are obtained by the firm's company secretarial department and are charged at the cost of the search plus an administration charge, which is currently 25% of cost, subject to a minimum administration charge of £5 00
- Mileage will be charged at relevant Inland Revenue rates, currently 45 p per mile
- Document storage – based on the cost of the square footage occupied by boxes and files of records and allocated on the basis of the number of open cases
- Electronic verification of individual's identity for money laundering purposes, charged at £2 50 per individual or £10 00 per company (where applicable)

It should be noted that disbursement costs might increase from time to time. However, increases would only be in line with inflation or increases from our suppliers.