

The Insolvency Act 1986

Administrator's progress report

Name of Company The Mortgage Shop (South East) Limited	Company number 04343213
In the High Court of Justice, Manchester District Registry, Chancery Division	Court case number 2645 of 2014

(a) Insert full name(s) and
address(es) of Joint
Administrator(s)

I (a)
Gordon Craig
Refresh Recovery Ltd
West Lancashire Investment Centre
White Moss Business Park
Skelmersdale
Lancs WN8 9TG

(b) Insert dates

the Administrator of the above company attach a final progress report for the period

from

to

(b) 2 October 2015

(b) 19 October 2015

Signed

Gordon Craig
Administrator

Dated 30 October 2015

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the register.

(Address as Above)	
	Tel
DX Number	DX Exchange

When you have completed and signed this form please send it to the Registrar of Companies at

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

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COMPANIES HOUSE

Report to Creditors

**THE MORTGAGE SHOP (SOUTH EAST) LIMITED
(COMPANY NUMBER: 04343213)**

**ADMINISTRATOR'S PROGRESS REPORT
IN ACCORDANCE WITH RULE 2.47 OF THE INSOLVENCY RULES 1986**

30 OCTOBER 2015

**IN THE HIGH COURT OF JUSTICE
MANCHESTER DISTRICT REGISTRY**

NUMBER 2645 of 2014

**REFRESH RECOVERY LIMITED
WEST LANCASHIRE INVESTMENT CENTRE
WHITE MOSS BUSINESS PARK
SKELMERSDALE
LANCASHIRE
WN8 9TG**

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1. Glossary

the Company	The Mortgage Shop (South East) Limited (registration number 04343213)
the Administrator	Gordon Craig of Refresh Recovery Limited, Maple View, White Moss Business Park, Skelmersdale Lancashire, WN8 9TG
Refresh Recovery	Refresh Recovery Limited
the Appointment Date	15 May 2014, being the date of appointment of the Administrator
the Appointor	The Directors
the Directors	Mr Jim Cook Mr David Cook
the Bank	Natwest Bank Plc
the Solicitors	Turner Parkinson LLP
HMRC	H M Revenue & Customs
Prescribed Part	Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the Company's property (floating charge assets less costs of realisation) shall be made available to the non-preferential unsecured creditors
QFC	Qualifying Floating Charge
CVA	Company Voluntary Arrangement
SoA	Statement of Affairs
RPS	Redundancy Payments Service
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006

BIS	The Department of Business Innovation and Skills
ICAEW	The Institute of Chartered Accountants in England and Wales
the Act	the Insolvency Act 1986 (as amended)
the Rules	the Insolvency Rules 1986 (as amended)
EC Regulation	EC Regulation on Insolvency Proceedings 2000
Category 1 Disbursements	The Administrator's firms external supplies of incidental services specifically identifiable to the case
Category 2 Disbursements	The Administrator's firms internal costs and expenses in dealing with the Administration that compromises a cost allocation
SIP 9	Statement of Insolvency Practice 9 (E & W), Remuneration of Office Holders
SIP 13	Statement of Insolvency Practice 13 (E & W), Acquisition of assets of insolvent companies by directors
SIP 15	Statement of Insolvency Practice 15 (E & W), Functions to Committees in formal insolvencies

2 Introduction

This is the a 6 monthly report from the Administrator as required by the Insolvency Act 1986 and includes certain information required to be provided to creditors in accordance with the rules

The Administrator was appointed Administrator of the Company in High Court of Justice, Manchester District Registry, Chancery Division, on the Appointment Date Court administration number 2645 of 2014

The appointment was made by the Appointor, in accordance with Paragraph 22 of Schedule B1 of the Act

3. Receipts and Payments

A receipts and payments account for the period 2 October 2015 to 19 October 2015 is attached at Appendix 1

4 Progress of the Administration

4.1 Administrator's Proposals & Creditors' Meeting

The Administrator's proposals were sent to all members and creditors on 9 July 2014 and a meeting of creditors was held on 25 July 2014 with the purpose of approving the Administrator's proposals and passing his resolutions for fees

It was agreed by the body of creditors that the remuneration of the Administrator was fixed on a time costs basis and can be drawn when funds allow Notice of the results of the creditors meeting was circulated to all known members and creditors on 25 July 2014 No Creditors' Committee was formed therefore the remuneration of the Administrator was fixed on a time costs basis and can be drawn when funds allow

4.2 Asset Realisations

4.2.1 Renewal Income

As creditors will recall every month the Company receives renewal commissions for investments made by its former clients, the monthly income is varied as income relates to the amounts invested by the clients and for the period

The Administrator has continued to collect these monies over the period of the Administration and a total sum of £46,723 02 has been received over the course of the Administration

The Administrator is continuing to collect these funds, however it is evident that the income is on a constant decrease which was expected as the Administration progressed. The Liquidator will continue to collect these funds and will consider to sell them to a third party

4.2.2 Transfer to Liquidator

A balance of £5 28 has been transferred to the Liquidator's estate account

4.2.3 Bank Interest

Nominal bank interest totalling £7 99 has been received to date

4.3 Creditors

4.3.1 Secured Creditors

The Company has no secured creditors

4.3.2 Employees and Preferential Creditors

The Company's employees who were all made redundant on 30 April 2014. The employees completed RP1 forms which have been sent to the Redundancy Payments Office, however to date we are yet to receive their claim. This will be chased by the Liquidator

It is likely that there will be sufficient monies to enable a dividend to this class of creditor if the renewal income can be sold to a third party

4.3.4 Other Creditors

Claims received to date total £3,439, which comprises claims from the trade creditors. HM Revenue & Customs have not yet submitted a claim with regard PAYE/NI. These claims are to be adjudicated but this will be done by the appointed Liquidator

In accordance with Rule 2.33(l) of the Insolvency (Amendment) Rules 2003, the Administrator must estimate the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where the Company has granted a floating charge to a creditor after 15 September 2003. The Company has not granted a floating charge to any creditor after 15 September 2003 and

consequently there will be no prescribed part. Similarly, the provisions of Section 176A (3) and 176A (5) of the Insolvency Act 1986 will not apply.

5 Investigation

As required under SIP 2 the Administrator has carried out the required investigations and can report that there are no matters to be pursued further.

During the course of the Administration, to comply with statutory obligations, the Administrator has carried out a review of the Director's conduct and has submitted a report to the Directors Disqualification Unit of the Department for Business, Innovation & Skills ("BIS") as required. The contents of this report are confidential between the Administrator and the BIS.

6. Administrator's Costs

6.1 Pre-Appointment Fees and Other Outstanding Costs

As previously advised to creditors a set fee of £10,000 (inclusive of VAT) was agreed with the Directors in respect of the pre-appointment work carried out which was paid to Refresh Recovery prior to the Administrator's appointment.

In the pre-appointment period legal fees of £1,642 plus VAT, plus disbursements of £51, were incurred by Turner Parkinson Solicitors in respect of preparing and lodging the Appointment documentation. The full amount due was paid in the period as agreed at the meeting of creditors.

6.2 Administrator's Fees

It has been agreed by the unsecured creditors that the Administrator be remunerated on a time cost basis and be authorised to draw fees as and when funds allow. A summary of the Administrator's time costs to date is attached at Appendix 2.

In the period time costs of £243 have been incurred which is comprised of 1.75 hours at an average cost of £138.86 per hour. Therefore over the course of the Administration the total time costs incurred total £42,366.50 which is comprised of 222.95 hours at an average cost of 190.03 per hour. Fees have been drawn to date totalling £41,630 plus VAT.

The work undertaken under each heading can be summarised as follows -

Administration and Planning

Case Planning, Administrative set up, Appointment and notification, Maintenance of records, Estate accounting, Schedule company books and records, File Reviews, Cashiering, Drafting Reports, preparation of reports, meetings with director, collecting client records, discussions with the FCA regarding the Administration, mail shot to former clients re appointment, numerous phone calls from clients regarding mail shot,

Investigation

Review and compliance with Statement of Insolvency (SIP 2), Reviewing and investigating Company books and records and Directors conduct, Report to the Department of Business, Innovation and Skills in accordance with the Company Directors Disqualification Act 1986 ("CDDA"),

Realisation of assets

Identifying and securing assets, Dealing with valuation of office furniture and dealing with sale, Contacting bank regarding the balance at bank and arranging for the monies to be transferred accordingly

Creditors

Communication with creditors, Processing creditor claims (including employee and preferential creditors), Correspondence with the FSCS with regard investor claims, Correspondence with solicitors acting on behalf of investors, Copying and sending paperwork accordingly

Statutory Matters

Completion of and filing statutory documents at Companies House and the High Court, Filing of all necessary returns with HM Revenue & Customs,

6.3 Administrator's Disbursements

The following expenses have also been incurred to date and are shown net of VAT

Supplier	Work Undertaken	Costs incurred since last report	Costs paid since last report	Total costs incurred	Total costs paid
Willis	Bond	£0	£0	£316 00	£316 00
Refresh Recovery	Photocopying	£0	£0	£825 15	£825 15
Courts Advertising	Advertisement of Appointment	£0	£0	£169 20	£169 20
Refresh Recovery	Postage	£0	£0	£398 04	£398 04
Refresh Recovery	Search Fees	£0	£0	£7 00	£7 00
Wodehouse Direct	Mail Shot	£0	£0	£2,416 16	£2,416 16
Gnffin James	Asset Valuation	£0	£0	£500	£500
Recall	Storage Costs	£0	£0	£268 90	£268 90

All other costs incurred and paid are detailed on the attached receipts payments

6.4 Administrator's Charge Out and Disbursement Rates

Details of my firm's current charge out and disbursement rates can be found in the attached schedule

6.5 Creditors' Guide to Fees

A full copy of a creditors' guide to fees can be downloaded from the following site

<http://www.icaew.com/~media/Files/Technical/Insolvency/creditors'-guides/creditors'-guide-administrators-fees-final.pdf>

If you would like to receive a hard copy please contact this office and one will be sent to you

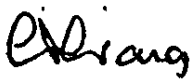
7. Creditors' rights

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 Administrator provide further information about his remuneration or expenses which have been itemised in this progress report

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 the basis fixed for the Administrator's remuneration, the remuneration charged or the expenses incurred by the Administrator as set out in this progress report are excessive

8. Conclusion of the Administration

In accordance with Paragraph 83(1)(b) of Schedule B1 of the Insolvency Act 1986 and as detailed in Paragraph 4.1 the Company was moved from Administration into Creditors' Voluntary Liquidation on 9 April 2015

A handwritten signature in black ink, appearing to read 'Gordon Craig', written in a cursive style.

Gordon Craig
Administrator

**The Mortgage Shop (South East) Limited t/a Investaco
(In Administration)**

Summary of Receipts & Payments

RECEIPTS	Statement of Affairs (£)	From 15/05/2014 To 01/10/2015 (£)	From 02/10/2015 To 19/10/2015 (£)	Total (£)
Office Equipment		1,000 00	0 00	1,000 00
Client Database		4,000 00	0 00	4,000 00
Insurance Refund		474 81	0 00	474 81
Cash at Bank	5,494 20	5,494 20	0 00	5,494 20
Renewal Income	60,000 00	46,723 02	0 00	46,723 02
Bank Interest Net of Tax		7 99	0 00	7 99
		57,700.02	0 00	57,700 02
PAYMENTS				
Mailshot		2,416 16	0 00	2,416 16
Bordereau		316 00	0 00	316 00
Administrators Fees		41,630 00	0 00	41,630 00
Companies House Search		7 00	0 00	7 00
Agents/Valuers Fees		500 00	0 00	500 00
Legal Fees		1,693 00	0 00	1,693 00
Irrecoverable VAT		9,471 29	0 00	9,471 29
Stationery & Postage		398 04	0 00	398 04
Photocopying		825 15	0 00	825 15
Storage Costs		268 90	0 00	268 90
Statutory Advertising		169 20	0 00	169 20
Transfer to Liquidator		0 00	5 28	5 28
		57,694.74	5 28	57,700 02
Net Receipts/(Payments)		5 28	(5.28)	0 00
MADE UP AS FOLLOWS				
		0 00	0.00	0 00

Note
All Estate Bank Accounts are Interest Bearing

Refresh Recovery Limited

TIME & CHARGEOUT SUMMARIES (POST)

The Mortgage Shop (South East) Limited

From 2 Oct 2015 to 19 Oct 2015

HOURS

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	0 00	0 10	0 25	0 40	0 75	103 00	137 33
Realisation of Assets	0 00	0 00	0 50	0 00	0 50	70 00	140 00
Statutory Matters	0 00	0 00	0 50	0 00	0 50	70 00	140 00
Investigations	0 00	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	0 00
Creditors	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Fees Claimed £	0 00	28 00	175 00	40 00		243 00	
Total Hours	0 00	0 10	1 25	0 40	1 75		
Average Rate	0 00	280 00	140 00	100 00			

Refresh Recovery Limited

TIME & CHARGEOUT SUMMARIES (POST)

The Mortgage Shop (South East) Limited

From 15 May 2014 to 19 Oct 2015

HOURS

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	49 00	12 40	46 95	52 30	160 65	32,802 00	204 18
Investigations	0 00	0 00	8 50	0 00	8 50	1,190 00	140 00
Realisation of Assets	0 30	0 20	5 75	0 00	6 25	961 50	153 84
Creditors	0 10	3 50	28 50	7 00	39 10	5,703 50	145 87
Statutory Matters	2 70	0 00	5 75	0 00	8 45	1,709 50	202 31
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Fees Claimed £	17,453 50	4,508 00	13,363 00	7,042 00		42,366 50	
Total Hours	52 10	16 10	95 45	59 30	222 95		
Average Rate	335 00	280 00	140 00	118 75			

REFRESH RECOVERY LIMITED'S FEE AND EXPENSES

1. TIME COST AND CHARGES OUT RATES

The work involved in this Administration is detailed in the report to creditors

The current charge out rates for this Firm is as follows -

Grade of Staff	(£ per hour)
Insolvency Practitioner/Partner	335
Senior Manager	280
Manager	250
Case Supervisor	180
Senior Case Administrator	140
Case Administrator	100

All charge out rates are subject to periodic review. Any material amendments to charge out rates shall be advised to Creditors (or the Creditors' Committee, if appropriate) in subsequent statutory reports. Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried out as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff. Time is recorded in units of 0.10 of an hour (i.e. 6 minute units).

A creditors' guide to Administrator's fees is can be downloaded from the following site -

<http://www.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/creditors-guide-administrators-fees-final.pdf>

Please note that if you wish to have a hard copy of the Creditors' Guide to Fees please contact this office and a copy will be supplied to you free of charge.

2. EXPENSES & DISBURSEMENT COSTS

Where the Insolvency Practitioner in the firm acts as office-holder in an Administration, the firm will seek to re-charge these costs (plus VAT where applicable). In such cases to comply with Statement of Insolvency Practice 9 (SIP9), the standard disbursement cost and expense re-charge calculations will be based upon the firm's standard policy which is as follows:

Category 1 Disbursements

These costs will include, among other -

Statutory Advertising	As per advertisers/agents invoice
Statutory Bonding	Charged at cost
Postal Redirection	Charged at cost
Courier	Charged at cost
Postage	First class postal charges based on the weight of the circular
Storage	Pro rata per number of boxes per storage charge invoice. An external storage provider provides this facility to the firm. Current

charges are £2 50 for the box and £4 25 per box per annum for the storage

Room Hire No charge is made for meeting within the firm's office but charges made by others (including charges by the Landlord for rooms at West Lancashire Investment Centre) are charged at cost

Land Registry Searches As per Land Registry invoice

Companies House Search As per Companies House invoice

Travel Charged at costs for public transport, taxis and car parking

Category 2 Disbursements

This relates to expenditure which may be directly related to the Administration or where the costs is apportioned or allocated over a number of such cases and estimates are used in the calculation. Such disbursements require creditor approval.

Photocopier/Paper £0 15 per sheet – irrespective of size. Based on average costs of machine consumables (toner cartridges, maintenance etc) and paper

Fax £0 60 per page sent. Based on the average costs involved in the use of fax machine consumables (toner cartridges, maintenance etc) and line costs

Stationery	Lever arch files	£3 63 each
	A-Z dividers	£2 69 each
	Multi punched pockets	£0 03 each
	C5 window envelopes	£0 04 each
	C4 (A4 unfolded) window envelopes	£0 08 each

Travel 45p per mile which is the cost reimbursed to staff

Telephone Conference and international calls are charged at cost

All the above costs are subject to periodic review. Any material amendments to costs shall be advised to Creditors (or the Creditors' Committee, if appropriate) in subsequent statutory reports.