

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

04641103

Name of Company

Impact Electrical Distributors Limited

I / We

Patricia Angela Marsh, Peek House, 20 Eastcheap, London, EC3M 1EB

Barrie Dunkin Harding, Peek House, 20 Eastcheap, London, EC3M 1EB

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 14/07/2014 to 13/07/2015

Signed



Date

12. AUGUST. 2015

Marsh Hammond & Partners LLP
Peek House
20 Eastcheap
London
EC3M 1EB

Ref IMPLIM/PM/BH/MP/PRM/C N/c

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COMPANIES HOUSE

Impact Electrical Distributors Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 14/07/2014 To 13/07/2015
	SECURED ASSETS	
	Goodwill	NIL
		NIL
	ASSET REALISATIONS	
2,584 00	Cash at Bank	1,245 20
176,494 00	Book Debts	212,048 30
7,000 00	Plant & Machinery	7,000 00
3,200 00	Office Equipment & Furniture	3,200 00
NIL	Sale proceeds	NIL
61,548 00	Stock	61,548 00
750 00	Website and Domain Name	750 00
	Book Debts	NIL
27,502 00	Goodwill	27,502 00
	Bank Interest Gross	78 86
		313,372 36
	COST OF REALISATIONS	
	Specific Bond	640 00
	Office Holders Fees	50,851 00
	Accountants Fee	2,250 00
	Legal fees (2)	8,300 50
	Stationery & Postage	278 07
	Statutory Advertising	380 00
	Book Debt Collection Fee	37,086 70
		(99,786 27)
	UNSECURED CREDITORS	
(152,845 00)	Trade & Expense Creditors	141,156 33
(49,270 00)	Directors' Loan Account	NIL
(31,505 00)	HM Revenue & Customs ("VAT")	23,211 78
(7,955 00)	HM Revenue & Customs ("PAYE/NIC")	NIL
(47,000 00)	Prospective/Contingent Claim	35,290 95
		(199,659 06)
	DISTRIBUTIONS	
(67 00)	Ordinary Shareholders	NIL
	Deferred Shareholders	NIL
		NIL
(9,564.00)		13,927 03
	REPRESENTED BY	
	Vat Receivable	1,229 57
	Bank 1 Current	12,697 46
		13,927.03

**Joint Liquidators'
Annual Progress
Report to Creditors &
Members**

**Impact Electrical Distributors
Limited**

- In Liquidation

31 July 2015

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APPENDICES

- A Receipts and Payments Account from 14 July 2014 to 13 July 2015
- B Time Analysis for the period from 14 July 2014 to 13 July 2015
- C Charge Out Policy

1 Introduction and Statutory Information

- 1 1 I, Patricia Marsh (Office Holder Number 9592) of Marsh Hammond & Partners LLP, Peek House, 20 Eastcheap, London EC3M 1EB was appointed as Joint Liquidator of Impact Electrical Distributors Limited (the **Company**) on 14 July 2014 with Barrie Harding (Office Holder Number 6327) of this office
- 1 2 There has been no subsequent change of Office Holder This report provides an update on the progress in the liquidation for the year ended 13 July 2015
- 1 3 The principal trading address of the Company was Unit 4, Colwick Industrial Estate, Private Road Way No 3, Nottingham NG4 2JN
- 1 4 The registered office of the Company has been changed to Peek House, 20 Eastcheap, London EC3M 1EB and its registered number is 04641103

2 Realisation of Assets

- 2 1 Attached at Appendix A is my Receipts and Payments Account for the period from 14 July 2014 to 13 July 2015
- 2 2 According to the statement of affairs book debts had a value of £220,617 and an estimated to realise value of £176,494 The director, Richard Mulligan, together with Marie Mulligan, assisted with the collection of the book debts, and a total of £212,048 30 was realised The amount realised was higher than would otherwise have been possible because of their knowledge and experience of the business and the book debts
- 2 3 A sum of £1,245 20 was realised for cash at bank which was slightly lower than the figure shown on the statement of affairs of £2,584 00
- 2 4 A sum of £100,000 was agreed and paid for the assets of the company and was apportioned as follows Customer Contracts and the Seller's Records £1, The Equipment £7,000, The Fixtures and Fittings £3,200, The Goodwill and right to use the name £27,500, The Intellectual Property and the Licences £750, The Premises £1, The Stock £61,548
- 2 5 These assets were subject to a formal independent valuation by insolvency agents Williams & Partners on 17 June 2014

- 2 6 In line with **Statement of Insolvency Practice 13 and Section 249 of the Insolvency Act 1986**, I am obliged to disclose that the buyer of these assets was a company called Intellipower (Nottingham) Limited ("the buyer"), which is under the control of Richard Mulligan. Marie Mulligan is also a shareholder and director of the buyer.
- 2 7 Nick Hughes, Solicitor and Director, of SGH Martineau, was acting for the buyer and the company was unrepresented.
- 2 8 A draft sale and purchase agreement was prepared by SGH Martineau on behalf of the buyer.
- 2 9 A sale agreement for these assets was signed on 11 July 2014.

3 Investigations

- 3 1 In accordance with the Company Directors Disqualification Act 1986 I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills (**BIS**). As this is a confidential report, I am not able to disclose the contents.

Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate.

This assessment took into account information provided by creditors either at the initial meeting or as a response to my request for information.

There are no relevant matters that might lead to additional recoveries for the benefit of creditors.

4. Creditors

Secured Creditors

- 4 1 A fixed and floating charge was created in favour of National Westminster Bank Plc on 23 January 2004 and registered at Companies House on 29 January 2004.
- 4 2 No payment has been made to secured creditors.

Preferential Creditors

- 4 3 There are no preferential creditors and no payment has been made

Unsecured Creditors

- 4 4 We have received 48 claims totalling £249,573 49
- 4 5 A first dividend of 80p in the £ was paid to unsecured creditors on 21 November 2014. The Joint Liquidators will confirm whether a second dividend will be paid to creditors in due course
- 4 6 A provision of £35,685 51 has been set aside for the claims of 6 creditors, which have not yet been agreed
- 4 7 The prospective and contingent claims of HM Revenue & Customs ("HMRC") in respect of allegedly underpaid PAYE and NIC have not yet been finalised and agreed
- 4 8 HMRC were made aware of the liquidation, having received notification and ongoing correspondence from the Joint Liquidators. An advertisement for creditors' claims was placed in the London Gazette and also circulated. Despite this HMRC issued legal proceedings to preserve their right to claim, which they believed would be time barred if it was outside the six year period under The Limitation Act 1980. The Joint Liquidators believe this to have been unnecessary as it is their understanding that time stops running for limitation purposes when a company goes into liquidation
- 4 9 The Joint Liquidators have been obliged to instruct solicitors to help respond to the legal proceedings. It was considered most appropriate that the claim be dealt with and adjudicated upon within the liquidation process and HMRC was urged to discontinue their proceedings as they were unnecessary. It was hoped that discontinuing would avoid the costs of preparing and filing a Defence to the claim
- 4 10 HMRC subsequently made an application seeking an order that their claim be adjourned generally pending the outcome of the statutory appeals procedure. The case of HMRC against the company has now been stayed following an order from the court dated 11 June 2015
- 4 11 Accountants have been instructed to provide detailed supporting tax correspondence, computations and detailed tax estimates and to provide advice
- 4 12 The directors of the company, Richard Mulligan and Derek McCrorie, have withdrawn their unsecured claims in the liquidation of £9,910 55 and £39,360 07, increasing the dividends paid to the remaining unsecured creditors

- 4 13 No amounts have been paid to unsecured creditors by virtue of Section 176A of the Insolvency Act 1986 where there is a floating charge holder created on or after 15 September 2003. The prescribed part of the net property has not been calculated because there is no amount owing to the floating charge holder.

5 Joint Liquidators' Remuneration

- 5 1 At a meeting of creditors held on 14 July 2014 a resolution was passed 'That the Joint Liquidators' fees be fixed by reference to the time properly given by the Joint Liquidator and their staff in attending to matters arising in the winding up.'

- 5 2 The overall time spent for the period from 14 July 2014 to 13 July 2015 and charge out value of that time for acting as Joint Liquidator is 369.90 hours and £77,336.00 respectively. This equates to a charge out value of £209.07 per hour. Time is recorded in six minute units. The Joint Liquidators have drawn fees of £50,851.000 for this period. These figures do not include VAT. In accordance with SIP9 a full breakdown of our time costs is attached as Appendix B 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.

- 5 3 The time costs have been calculated based upon the charge out rates normally used by Marsh Hammond & Partners LLP for the time given by the Joint Liquidators and their staff in attending to matters arising in this insolvency.

- 5 4 Members of staff have carried out work on this liquidation depending on their skills, knowledge and experience of various matters. If necessary staff with specialist skills have been used to complete certain tasks.

At a meeting of creditors held on 14 July 2014 it was reported that a sum totalling £10,000 plus disbursements plus VAT had been authorised to be paid in connection with the costs of convening the meeting of creditors and the preparation of the statement of affairs. A sum of £10,000 plus VAT was paid prior to the start of the liquidation.

A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from <http://www.insolvency-practitioners.org.uk/>.

- 5 5 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 6 Since the start of the liquidation the following tasks have been carried out:

- Notification of appointment to creditors of Joint Liquidators' appointment and a request to submit their claims.

- Advertising the appointment of the Joint Liquidators
- Reclaiming VAT
- Realising cash at bank
- Sale of the company's assets
- Collection of the company's book debts
- Filing with Registrar of Companies
- Liaising with unsecured creditors and agreeing claims
- Appointing solicitors concerning legal proceedings with HM Revenue & Customs
- Advertising for the claims of creditors in the London Gazette
- Paying a dividend to creditors
- Statutory advertising
- Investigating the affairs of the company
- Report to creditors on progress of liquidation
- Review of files

6 Joint Liquidators' Expenses

The following expenses have been incurred since the date of appointment on 14 July 2014 to 13 July 2015. The expenses incurred have been paid from the liquidation estate.

Supplier / Service Provider	Nature of expense incurred	Amount incurred date to £	Paid to date £	Amount Outstanding £
Marsh	Specific Bond	640 00	640 00	NIL
TMP Reynell	Statutory Advertising	380 00	380 00	NIL
Barker Gotelee	Legal Fees	8,300 50	8,300 50	NIL
Clenshaw Minns	Accountant's Fee	2,250 00	2,250 00	NIL
Intellipower (Nottingham) Limited	Book debt collection fee	37,086 70	37,086 70	NIL
Postage and Stationery	Postage and Stationery	380 00	380 00	NIL

7 Creditors' rights

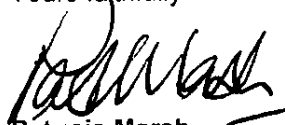
- 7.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Joint Liquidator provide further information about his remuneration or expenses which have been itemised 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 Joint Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint 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 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



Patricia Marsh
Joint Liquidator

Please note that Patricia Marsh is licensed as an Insolvency Practitioner in the UK by the Insolvency Practitioners' Association and Barrie Harding is licensed as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales

IMPACT ELECTRICAL DISTRIBUTORS LIMITED

Receipts and Payments Account from 14 July 2014 to 13 July 2015

Appendix A

**Impact Electrical Distributors Limited
(In Liquidation)**

**Joint Liquidators' Abstract Of Receipts And Payments
To 13 July 2015**

RECEIPTS	Statement of Affairs (£)	Total (£)
Cash at Bank	2,584 00	1,245 20
Book Debts	176,494 00	212,048 30
Plant & Machinery	7,000 00	7,000 00
Office Equipment & Furniture	3,200 00	3,200 00
Sale proceeds	NIL	0 00
Stock	61,548 00	61,548 00
Website and Domain Name	750 00	750 00
Goodwill	27,502 00	27,502 00
Bank Interest Gross		78 86
		<hr/>
		313,372 36
		<hr/>
PAYMENTS		
Specific Bond		640 00
Office Holders Fees		50,851 00
Accountants Fee		2,250 00
Legal fees (2)		8,300 50
Stationery & Postage		278 07
Statutory Advertising		380 00
Book Debt Collection Fee		37,086 70
Trade & Expense Creditors	(152,845 00)	141,156 33
Directors' Loan Account	(49,270 00)	0 00
HM Revenue & Customs ("VAT")	(31,505 00)	23,211 78
HM Revenue & Customs ("PAYE/NIC")	(7,955 00)	0 00
Prospective/Contingent Claim	(47,000 00)	35,290 95
Ordinary Shareholders	(67 00)	0 00
		<hr/>
		299,445 33
		<hr/>
Net Receipts/(Payments)		13,927 03
		<hr/>

MADE UP AS FOLLOWS

Bank 1 Current	12,697 46
VAT Receivable / (Payable)	1,229 57
	<hr/>
	13,927 03
	<hr/>



Patricia Angela Marsh
Joint Liquidator

IMPACT ELECTRICAL DISTRIBUTORS LIMITED

Time analysis for the period from 14 July 2014 to 13 July 2015

Appendix B

Marsh Hammond & Partners LLP**TIME & CHARGEOUT SUMMARIES**

Impact Electrical Distributors Ltd - In Liquidatio

From 14/07/2014 to 13/07/2015

HOURS							
Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	1 40	2 20	66 80	4 20	74 60	9,936 00	133 19
Investigations	0 00	0 00	19 50	0 00	19 50	2,730 00	140 00
Realisation of Assets	21 50	27 60	3 70	0 00	52 80	15,756 00	298 41
Creditors	42 00	68 40	104 60	8 00	223 00	48,914 00	219 35
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Fees Claimed £	22,715 00	27,496 00	26,332 00	793 00		77,336 00	
Total Hours	64 90	98 20	194 60	12 20	369 90		
Average Rate	350 00	280 00	135 31	65 00			

Marsh Hammond & Partners LLP

The headings used on our standard time costs schedules include, but are not limited to

Administration and Planning

Case planning
Administrative set-up
Maintenance of records
Statutory reporting

Investigation

SIP 2 review
Reports pursuant to Company Directors'
Disqualification Act 1986
Appointment notification
Investigating antecedent transactions

Realisations of Assets

Identifying, securing, insuring assets
debt collection other preferential creditors')
and property, business and asset sales

Creditors

communications with creditors
creditors' claims (including employees' and other
preferential creditors')
retention of title

Charge-out rates

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), we confirm that our time is charged in 6 minute units. The current hourly charge-out rates applicable to this appointment, exclusive of VAT, are as follows

	<u>Charge out</u>
<u>Staff</u>	<u>Rate per hour</u>
Partners	£ 350
Associates	280 - 300
Senior Managers	250
Managers	200
Senior Administrators	140
Administrators and Senior Cashiers	110
Junior Administrators and Cashiers	90
Support Staff	65

Charge-out rates are normally reviewed annually in June, when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance

Direct expenses ("Category 1 disbursements")

Category 1 disbursements as defined by SIP 9, which are billed by third parties and can be specifically identified as relating to the administration of the case will be charged to the estate at cost, with no uplift. These include but are not limited to such items as case advertising, specific penalty bonds and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case.

Storage and Archiving

We use a commercial archiving company to provide collection, storage and data management facilities in respect of company records and papers. This is re-charged to the estate where appropriate.

Indirect expenses ("Category 2 disbursements")

Category 2 disbursements as defined by SIP 9 are those which are not specifically identified as relating to the administration of the case and/or are not billed by third parties. Accordingly, this includes employees' **Mileage** incurred as a result of any necessary travelling which would be re-charged to the estate at the Inland Revenue approved rate, currently 45p per mile.

However, it should be noted that we do not usually re-charge any indirect disbursements ("Category 2 disbursements").