

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

TUESDAY



\*A6CDLX56\*

A17

08/08/2017

#146

COMPANIES HOUSE

### 1 Company details

Company number 0 4 7 3 5 8 6 2  
Company name in full Seymour Motor Company Limited

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Peter James  
Surname Anderson

### 3 Liquidator's address

Building name/number 1 City Road East  
Street Manchester  
Post town M15 4PN  
County/Region  
Postcode  
Country

### 4 Liquidator's name ①

Full forename(s) Alan  
Surname Fallows

① Other liquidator  
Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number 1 City Road East  
Street Manchester  
Post town M15 4PN  
County/Region  
Postcode  
Country

② Other liquidator  
Use this section to tell us about  
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

**6** Period of progress report

From date	<sup>d</sup> 0	<sup>d</sup> 7	<sup>m</sup> 0	<sup>m</sup> 7	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 6
To date	<sup>d</sup> 0	<sup>d</sup> 6	<sup>m</sup> 0	<sup>m</sup> 7	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 7

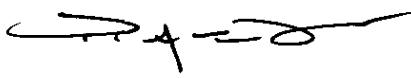
**7** Progress report

☒ The progress report is attached

**8** Sign and date

Liquidator's signature

Signature

X 

X

Signature date

<sup>d</sup> 2	<sup>d</sup> 5	<sup>m</sup> 0	<sup>m</sup> 7	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 7
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# LIQ03

## Notice of progress report in voluntary winding up



### Presenter information

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

Contact name	Lindsay Pilkington
Company name	Kay Johnson Gee Corporate Recovery Limited
Address	1 City Road East Manchester
Post town	M15 4PN
County/Region	
Postcode	
Country	
DX	
Telephone	0161 832 6221



### Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



### Important information

All information on this form will appear on the public record.



### Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.



### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

**Seymour Motor Company Limited**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £		From 07/07/2016 To 06/07/2017 £	From 07/07/2016 To 06/07/2017 £
	<b>SECURED ASSETS</b>		
80.00	Office Equipment	NIL	NIL
		NIL	NIL
	<b>ASSET REALISATIONS</b>		
	Cash at Bank	1,500.00	1,500.00
	Deposit for costs	2,000.00	2,000.00
	Bank Interest	0.35	0.35
		3,500.35	3,500.35
	<b>COST OF REALISATIONS</b>		
	Statement of Affairs Fee	2,900.00	2,900.00
	Bank Charges	0.95	0.95
		(2,900.95)	(2,900.95)
	<b>PREFERENTIAL CREDITORS</b>		
(2,154.39)	BIS Preferential Claim	NIL	NIL
		NIL	NIL
	<b>FLOATING CHARGE CREDITORS</b>		
(17,082.08)	HSBC Bank Plc	NIL	NIL
		NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(19,551.50)	Trade & Expense Creditors	NIL	NIL
(8,640.76)	BIS Non-Preferential Claims	NIL	NIL
(35,000.00)	Directors' Loans	NIL	NIL
(5,175.96)	HM Revenue & Customs (VAT)	NIL	NIL
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(200.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(87,724.69)</b>		<b>599.40</b>	<b>599.40</b>
	<b>REPRESENTED BY</b>		
	Current A/c		419.40
	Vat Control Account		180.00
			<b>599.40</b>

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

**Seymour Motor Company Limited  
- In Liquidation**

**6 July 2017**

## **SEYMOUR MOTOR COMPANY LIMITED - IN LIQUIDATION**

### **CONTENTS**

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- 2** Progress of the Liquidation
- 3** Creditors
- 4** Joint Liquidators' Remuneration
- 5** Creditors' Rights
- 6** Next Report

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- A** Receipts and Payments Account for the Period from 7 July 2016 to 6 July 2017
- B** Time Analysis for the Period from the 7 July 2016 to 6 July 2017
- C** Additional information in relation to Joint Liquidators' Fees, Expenses & Disbursements

## SEYMOUR MOTOR COMPANY LIMITED - IN LIQUIDATION

### 1 Introduction and Statutory Information

- 1.1 I, Peter James Anderson, together with my partner Alan Fallows, of Kay Johnson Gee Corporate Recovery Limited, 1 City Road East, Manchester, M15 4PN, was appointed as Joint Liquidator of Seymour Motor Company Limited (the **Company**) on 7 July 2016. This progress report covers the period from 7 July 2016 to 6 July 2017 (**the Period**) and should be read in conjunction with any previous progress reports which have been issued.
- 1.2 The principal trading address of the Company was 35 Dudley Road, Lye, Stourbridge, West Midlands, DY9 8EE. The business traded under the name Seymour Motor Company Limited.
- 1.3 The registered office of the Company has been changed to Kay Johnson Gee Corporate Recovery Limited, 1 City Road East, Manchester, M15 4PN and its registered number is 04735862.

### 2 Progress of the Liquidation

- 2.1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period and an explanation of the work done by the Liquidator and his staff.
- 2.2 At Appendix A is my Receipts and Payments Account for the Period.

#### ***Administration (including statutory compliance & reporting)***

- 2.3 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation.

#### **Realisation of Assets**

##### **Office Equipment**

- 2.4 At the date of Liquidation the Statement of Affairs indicated that the Company had office equipment with a book value of £488 and were estimated to realise £80.
- 2.5 Following appointment the Directors of the Company confirmed that they did not wish to purchase the office equipment and it was confirmed that the costs of uplifting, storing and selling these assets would outweigh any potential realisations. There are no anticipated future realisations in this regard.

##### **Directors' Loan Account**

- 2.6 Following appointment steps were taken to secure copies of the Company's bank statements for the two years preceding my appointment as Joint Liquidator.
- 2.7 At the date of appointment the Statement of Affairs indicated that the Directors were owed the sum of £35,000 in respect of their Directors' Loan Accounts ("DLA"). This figure was taken from the Company's last set of full, filed accounts for the year ending 30 June 2015.
- 2.8 A full review of the copy bank statements was undertaken and it was highlighted that since 30 June 2015, significant further transactions had taken place between the Company and the Directors, which as at the date of Liquidation, left an over drawn DLA for the sum of £31,171.
- 2.9 I can confirm that the Directors were duly written to, to advise of the overdrawn DLA and to request either their offer of repayment or if they disputed the balance, to secure details of the dispute and the relevant supporting documentation.

## **SEYMOUR MOTOR COMPANY LIMITED - IN LIQUIDATION**

- 2.10 A response was received from the Directors who advised that they did in fact dispute the balance as they claimed to have introduced significant funds into the Company that would have cleared any remaining balance.
- 2.11 Full supporting documentation was requested from the Directors in respect of this claim and the Director advised that the personal account from which the funds had been paid into the Company had subsequently been closed and a request had been placed with the relevant bank to secure copy bank statements.
- 2.12 After issuing numerous follow up letters to the Directors, the supporting bank statements and breakdown of funds introduced into the Company was supplied.
- 2.13 A detailed review of the same was undertaken and it was highlighted that the funds introduced into the Company all pre dated 30 June 2015 and as such had already been taken into account when calculating the final balance of the overdrawn DLA.
- 2.14 In light of the above I can confirm that a final letter before action was issued to the Directors requesting their offer of repayment within the next 7 days.
- 2.15 In the event that a response is not received it is my intention to instruct my solicitor to commence the appropriate recovery proceedings without further recourse to the Directors.

### **Rates Refund**

- 2.16 Further to my appointment as Liquidator correspondence was received from Dudley Metropolitan Borough Council ("the Council") highlighting that a recent refund totalling £2,000.23 had been made to the Company. However a review of the Company's bank statements confirmed that the payment had not been received.
- 2.17 Further correspondence was entered into with the Council who confirmed that the payment had been paid directly into the account of the Director Mr Steven Hickman.
- 2.18 Correspondence has been entered in to with Mr Hickman and to date repayment of these funds have not been received.
- 2.19 In light of the same it is now my intention to instruct a solicitor to commence recovery proceedings.

### **Cash at Bank**

- 2.20 I can confirm that following appointment correspondence was issued to the Company's bank to close the account and secure any closing balance.
- 2.21 I can advise that the sum of £1,500 has been received and no further realisations are anticipated in this regard.

### **Deposit for Costs**

- 2.22 I can confirm that the Directors have paid the sum of £2,000 as a part payment towards the agreed fee of £5,000 plus VAT to assist with placing the Company into Liquidation. The balance remains outstanding.

### **Bank Interest**

- 2.23 As at the date of this report the sum of 35p has been received in respect of bank interest.



## SEYMOUR MOTOR COMPANY LIMITED - IN LIQUIDATION

### *Creditors (claims and distributions)*

- 2.24 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. The Liquidators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 2.25 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 2.26 The above work will not necessarily bring any financial benefit to creditors generally, however the Liquidators are required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidators in dealing with those claims.
- 2.27 I consider the following matters worth noting in my report to creditors at this stage:
- There are approximately 12 unsecured creditor claims in this case with a value per the director(s) statement of affairs of £87,524.69.
  - We have dealt with the claims of three employees.
  - I anticipate claims from preferential creditors totalling £2,154.39.

### *Investigations*

- 2.28 Some of the work the Liquidators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidators can pursue for the benefit of creditors.
- 2.29 I can confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents.
- 2.30 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 any information provided by creditors
- 2.31 My investigations revealed the overdrawn DLA and rates refund that have been paid into the Director's personal account as detailed in full at paragraphs 2.8 to 2.21 above.
- 2.32 As advised it is my intention to commence formal recovery proceedings to secure the repayment of these funds.

## **3 Creditors**

### *Secured Creditors*

- 3.1 There are no secured creditors in this matter.

## SEYMOUR MOTOR COMPANY LIMITED - IN LIQUIDATION

### ***Preferential Creditors***

3.2 A summary of preferential claims is detailed below.

Preferential claim	Agreed Claim	Statement of Affairs claim	Dividend paid p in the £1
Employee claims (Total number of claims = 3)	0.00	0.00	N/a
Department for Business, Energy & Industrial Strategy (BEIS)	0.00	2,154.39	N/a

3.3 To date no dividends have been paid to the preferential creditors. Any future dividends will be dependent upon the outcome of the recovery of the overdrawn DLA and rates refund as highlighted at paragraphs 2.8 to 2.21 above.

### ***Unsecured Creditors***

3.4 I have received claims totalling £51,491.26 from 5 creditors. I have yet to receive claims from seven creditors with a combined value as per the Statement of Affairs of £44,132.65.

3.5 I would confirm that it is anticipated that should the DLA and rates refund be recovered in full, there may be sufficient funds realised after paying the expenses of the liquidation to pay a dividend to unsecured creditors. Based upon the information currently available I am unable to comment further on the quantum and timing of any potential, future dividend at this time.

## **4 Joint Liquidators' Remuneration**

4.1 A decision agreeing the basis of the Liquidators' remuneration was not sought at the initial meeting of creditors as it was proposed these would be agreed following the Liquidators' appointment. Therefore, please find enclosed with this letter:

- Information on the work I anticipate will need to be done in order to wind-up the Company's affairs, together with my fees estimate and a statement of expenses I consider are likely to be incurred including details of this firm's policy on the recovery of disbursements.
- Notice of the decisions to be considered by correspondence.
- A Voting Form - please complete this and return it to my office by 14 August 2017. Alternatively, it can be emailed to derekmorton@kjgcr.com or faxed to 0161 834 8479.
- Proof of debt form - if you have not already submitted a proof of your claim in the liquidation, please return this completed with your Voting Form.

4.2 A simple majority of creditors voting on the decisions proposed will be required for them to be passed.

4.3 My time costs for the Period are £9,794. This represents 37.70 hours at an average rate of £259.79 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent by me in managing the liquidation. To date no fees have been drawn in this regard.

4.4 Please note that where creditors decide to fix the basis of my remuneration by reference to time properly given in attending to matters arising in the winding-up, the fees estimate provided with this letter will act as a cap on my remuneration unless further approval is obtained from creditors to increase this. I reserve the right to revert to creditors should I consider that the estimate will be exceeded and will provide relevant information on the reasons for this, together an updated estimate of costs if this proves necessary.

## SEYMOUR MOTOR COMPANY LIMITED - IN LIQUIDATION

- 4.5 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from <http://kjgllp.com/Liquidators-fees/>
- 4.6 Attached as Appendix C is additional information in relation to the Liquidators' fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

### 5 Creditors' Rights

- 5.1 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 Liquidators provide further information about their remuneration or expenses which have been itemised in this progress report.
- 5.2 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 Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidators, as set out in this progress report, are excessive.

### 6 Next Report

- 6.1 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 account.
- 6.2 If you have any queries in relation to the contents of this report, Lindsay Pilkington can be contacted by telephone on 0161 212 8388 or by email at [lindsaypilkington@kjgcr.com](mailto:lindsaypilkington@kjgcr.com).

Yours faithfully



**Peter James Anderson**  
Joint Liquidator

**Seymour Motor Company Limited  
(In Liquidation)  
Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £		From 07/07/2016 To 06/07/2017 £	From 07/07/2016 To 06/07/2017 £
	<b>SECURED ASSETS</b>		
80.00	Office Equipment	NIL	NIL
		NIL	NIL
	<b>ASSET REALISATIONS</b>		
	Cash at Bank	1,500.00	1,500.00
	Deposit for costs	2,000.00	2,000.00
	Bank Interest	0.35	0.35
		3,500.35	3,500.35
	<b>COST OF REALISATIONS</b>		
	Statement of Affairs Fee	2,900.00	2,900.00
	Bank Charges	0.95	0.95
		(2,900.95)	(2,900.95)
	<b>PREFERENTIAL CREDITORS</b>		
(2,154.39)	BIS Preferential Claim	NIL	NIL
		NIL	NIL
	<b>FLOATING CHARGE CREDITORS</b>		
(17,082.08)	HSBC Bank Plc	NIL	NIL
		NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(19,551.50)	Trade & Expense Creditors	NIL	NIL
(8,640.76)	BIS Non-Preferential Claims	NIL	NIL
(35,000.00)	Directors' Loans	NIL	NIL
(5,175.96)	HM Revenue & Customs (VAT)	NIL	NIL
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(200.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(87,724.69)</b>		<b>599.40</b>	<b>599.40</b>
	<b>REPRESENTED BY</b>		
	Current A/c		419.40
	Vat Control Account		180.00
			<b>599.40</b>

## Time Entry - SIP9 Time & Cost Summary

SEYM01 - Seymour Motor Company Limited  
All Post Appointment Project Codes  
From: 07/07/2016 To: 06/07/2017

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Assistant Manager	Senior Administrator	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	0.30	6.50	0.00	0.00	0.00	0.00	6.80	1,869.00	274.85
Case Specific	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashiering	0.60	0.00	0.00	1.80	0.00	0.00	2.40	502.00	209.17
Creditors	0.00	6.40	0.00	0.00	0.00	0.00	6.40	1,600.00	250.00
Investigation	1.10	17.00	0.00	0.00	0.00	0.00	18.10	5,023.00	277.51
Realisation of Assets	0.00	2.00	0.00	2.00	0.00	0.00	4.00	800.00	200.00
Statutory Compliance	0.00	0.00	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	0.00	0.00
<b>Total Hours</b>	<b>2.00</b>	<b>31.90</b>	<b>0.00</b>	<b>3.80</b>	<b>0.00</b>	<b>0.00</b>	<b>37.70</b>	<b>9,794.00</b>	<b>259.79</b>
<b>Total Fees Claimed</b>								<b>0.00</b>	
<b>Total Disbursements Claimed</b>								<b>0.00</b>	

## SEYMOUR MOTOR COMPANY LIMITED - IN LIQUIDATION

### Appendix C

#### Additional Information in Relation to the Joint Liquidators' Fees, Expenses & Disbursements

##### 1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.
- 1.3 We are not proposing to utilise the services of any sub-contractors in this case.

##### 2 Professional Advisors

- 2.1 On this assignment we have yet to use the services of any professional advisors. It is anticipated that the services of the professional advisors below will be utilised moving forward. 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 Arrangement
Bermans (legal advice)	Hourly rate and disbursements

- 2.2 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.

##### 3 Joint Liquidators' Expenses & Disbursements

- 3.1 The estimate of expenses (including disbursements) which were anticipated at the outset of the liquidation was provided to creditors when the basis of my fees were approved, a copy of which is set out below:

Expense	Estimated cost
Agents' costs	250.00
Statutory advertising	300.00
Specific penalty bond	30.00
External storage of company's books and records	25.00
Category 2 disbursements charged by the firm:	
Business mileage	45p per mile
Internal Meeting Room	150.00 per statutory meeting required

##### ***Current position of Joint Liquidators' expenses***

- 3.2 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

## SEYMOUR MOTOR COMPANY LIMITED - IN LIQUIDATION

	Paid in prior period £	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
Statutory advertising	0.00	0.00	210.75	210.75
Specific penalty bond	0.00	0.00	30.00	30.00
External storage of books & records	0.00	0.00	25.00	25.00

3.3 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. These disbursements are included in the tables of expenses above.

3.4 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Liquidators' fees were approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

## 4 Charge-Out Rates

4.1 Kay Johnson Gee Corporate Recovery Limited's current charge-out rates effective from 1 November 2016 are attached.

## **Seymour Motor Company Limited (the Company)**

### **Fees Information in accordance with The Insolvency (Amendment) Rules 2015 and Statement of Insolvency Practice 9**

#### ***Fees Overview***

Prior to an insolvency practitioner agreeing the basis of his remuneration as liquidator, details of the work proposed to be done and the expenses it is considered will be, or are likely to be, incurred in dealing with a company's affairs must be provided to creditors.

In addition, where the liquidator proposes to take all or any part of this remuneration based on the time he and his staff will spend dealing with the affairs of the insolvent company, a **fees estimate** must also be provided. This will outline the anticipated cost of that work, how long it is anticipated the work will take and whether any further approvals may be needed from creditors in due course.

It should be noted that a **fees estimate** may be provided to a particular milestone or for a designated period in a case, where it is not possible to accurately estimate the work that will need to be done at the outset.

Creditors should be aware that the **fees estimate** is based on all of the information available now and may be subject to change due to unforeseen circumstances that may arise during the liquidation. If it is considered that the **fees estimate** will be exceeded, the liquidator will provide an update and seek approval to increase the previously agreed **fees estimate**.

#### ***Work anticipated and the likely return to creditors***

Some of the work undertaken by an insolvency practitioner is required by statute and may not necessarily provide a financial benefit to creditors. Examples of this work include investigations required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 or dealing with the claims of former employees via the National Insurance Fund.

Where the work to be done is anticipated to produce a financial benefit to creditors, this will be stated and it may be necessary for the liquidator to instruct third parties to assist in this process because of a particular expertise that the third party may bring such as valuation, tax or legal advice.

Where it is practical to do so, a liquidator will provide an indication of the likely return to creditors when seeking approval for the basis of his remuneration. Again due to the complex nature of the work undertaken by insolvency practitioners and the uncertainties that may exist in relation to the realisation of a company's assets at the outset of a case, this may not be possible. A liquidator is however, required by statute to provide periodic reports to creditors on the progress of a case which will include an update as to the likely return creditors may expect.

#### ***Proposed Fee Basis***

In this case, it is being proposed that the basis of my remuneration as liquidator will be based on the time spent by me and my staff in dealing with the Company's affairs. Attached to this document is my **fees estimate**, together with an explanation of the work I propose undertaking.

Each part of the work to be undertaken will necessarily require different levels of expertise and therefore related cost. In order to aid understanding, for the purposes of my **fees estimate**, I have indicated the rates and grades of staff such as myself, the case manager, the case administrator and cashier when estimating the total hours to be spent on each part of the work.



This **fees estimate** is produced on the basis of all the work I currently propose will be necessary in the liquidation. If I consider the **fees estimate** will be exceeded, I will notify creditors accordingly and provide a revised estimate and seek further approval for my increased fees.

Each part of the work to be undertaken will necessarily require different levels of expertise and therefore related cost. In order to aid understanding, for the purposes of my **fees estimate**, I have indicated the rates and grades of staff such as myself, the case manager, the case administrator and cashier when estimating the total hours to be spent on each part of the work.

### ***Outline of work to be done by the liquidator***

Below are details of the work I propose undertaking in support of the above **fees estimate** for the liquidation:

#### ***Administration (including statutory compliance & reporting)***

Liquidators are required to carry out certain tasks in nearly every insolvency assignment, namely administrative duties and dealing with the Company's creditors. Whilst these tasks are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, they do not necessarily produce any direct financial benefit for creditors, but nonetheless still have to be undertaken.

This work includes:

- Notifying creditors of the liquidator's appointment and other associated formalities including statutory advertising and filing relevant statutory notices at Companies House
- Preparing and issuing annual progress reports to members and creditors
- Lodging periodic returns with the Registrar of Companies for the liquidation
- Complying with statutory duties in respect of the liquidator's specific penalty bond
- Creation and update of case files on the firm's insolvency software
- Redirection of the Company's mail to the liquidator's office
- Establishing and holding periodic meetings of the liquidation committee and associated filing formalities (if a committee is appointed)
- Securing the Company's books and records
- Pension regulatory reporting and auto-enrolment cancellation
- Completion and filing of the notice of the Company's insolvency to HMRC
- Initial assessment required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 (CDDA) including the review of the Company's books and records and the identification of potential further asset realisations which may be pursued in the liquidation
- Submitting a statutory report to the Insolvency Service under the CDDA
- Periodic case progression reviews (typically at the end of Month 1 and every 6 months thereafter)
- Opening, maintaining and managing the liquidation estate cashbook and bank account(s)
- Dealing with all post-appointment VAT and corporation tax compliance
- Dealing with employees to provide support and assistance in lodging any claims they may be entitled to make for unpaid wages, holiday pay and other statutory entitlements from the National Insurance Fund and the Company. Liaising with (or appointing) union representatives and payroll providers and reviewing employment contracts as necessary

#### ***Realisation of assets***

##### **Office Equipment**

At the date of Liquidation the Statement of Affairs indicated that the Company had office equipment with a book value of £488 and were estimated to realise £80.

Following appointment the Directors of the Company confirmed that they did not wish to purchase the office equipment and it was confirmed that the costs of uplifting, storing and selling these assets would outweigh any potential realisations. There are no anticipated future realisations in this regard.

## **Directors' Loan Account**

Following appointment steps were taken to secure copies of the Company's bank statements for the two years' preceding my appointment as Joint Liquidator.

At the date of appointment the Statement of Affairs indicated that the Directors were owed the sum of £35,000 in respect of their Directors' Loan Accounts ("DLA"). This figure was taken from the Company's last set of full, filed accounts for the year ending 30 June 2015.

A full review of the copy bank statements was undertaken and it was highlighted that since 30 June 2015, significant further transactions had taken place between the Company and the Directors, which as at the date of Liquidation, left an over drawn DLA for the sum of £31,171.

I can confirm that the Directors were duly written to, to advise of the overdrawn DLA and request either their offer of repayment or if they disputed the balance, to secure details of the dispute and the relevant supporting documentation.

A response was received from the Directors who advised that they did in fact dispute the balance as they had introduced significant funds into the Company that would have cleared any remaining balance.

Full supporting documentation was requested from the Directors to support this claim and the Director advised that the personal account from which the funds had been paid into the Company had subsequently been closed and a request had been placed with the relevant bank to secure copy bank statements.

After issuing numerous chasers to the Directors, the supporting bank statements and breakdown of funds introduced into the Company was supplied.

A detailed review of the same was undertaken and it was highlighted that the funds introduced into the Company all pre dated 30 June 2015 and as such had already been taken into account when calculating the final balance of the overdrawn DLA.

In light of the above I can confirm that a final letter before action was issued to the Directors requesting their offer of repayment within the next 7 days.

In the event that a response is not received it is my intention to instruct my solicitor to commence the appropriate recovery proceedings without further recourse to the Directors.

## **Rates Refund**

Further to my appointment as Liquidator correspondence was received from Dudley Metropolitan Borough Council ("the Council") highlighting that a recent refund totalling £2,000.23 had been made to the Company. However a review of the Company's bank statements confirmed that the payment had not been received.

Further correspondence was entered into with the Council who confirmed that the payment had been paid directly into the account of the Director Mr Steven Hickman.

Correspondence has been entered in to with Mr Hickman and to date repayment of these funds have not been received.

In light of the same it is now my intention to instruct a solicitor to commence recovery proceedings.

Work done by the liquidator, his staff and any third parties engaged to assist the liquidator in realising the Company's assets will, it is anticipated, provide a financial benefit to creditors. This may involve realising assets to facilitate a distribution to secured creditors of the Company only (from which a Prescribed Part fund may be derived for the benefit of unsecured creditors) or may, depending on realisations and the extent of any 3<sup>rd</sup> party security, result in a distribution to the preferential and/or

unsecured creditors of the Company. Further information on the likely outcome of the liquidation process will be provided in the liquidator's subsequent progress reports.

### ***Creditors (claims and distributions)***

As liquidator, I will deal with all secured, preferential and unsecured creditor correspondence and claims as received, including any claims of creditors under retention of title. Based on the Company's estimated statement of affairs, I currently think that after taking into consideration the costs of realising the assets and dealing with the statutory formalities of the liquidation process and the related costs and expenses, a distribution may become available to the preferential and unsecured creditors. I will deal with the review and adjudication of creditors' claims as appropriate, if and when it is determined that a dividend is to be declared to that class of creditor.

It should be noted that the above is based on the estimated statement of affairs and the projected realisable value of the Company's assets which at this stage is unconfirmed, together with the anticipated costs of the liquidation. I will undertake appropriate investigations into and obtain valuations of, the Company's assets and will confirm the likely return to creditors in my first progress report.

In the event that further asset realisations are achieved in line with the information provided above, it is anticipated that there will be sufficient funds, after the associated costs of agreeing claims, to make a distribution to the preferential creditors of 100p/£. In addition, it is anticipated that a dividend may also become available for the benefit of the unsecured creditors, although at present the quantum and timing of a dividend to the unsecured creditors is uncertain. The time estimate includes time that will be incurred in agreeing the preferential and unsecured creditor claims.

### ***Investigations***

As liquidator, I am required to conduct investigations into the conduct of the director(s) of the Company and transactions entered into prior to the Company's insolvency, as required by the Company Directors Disqualification Act 1986 and Statement of Insolvency Practice 2 (Investigations by Office Holders in Administrations and Insolvent Liquidations).

This work may not necessarily lead to any financial benefit to creditors yet is work I am required to undertake by statute. I have included the time I consider will be needed to comply with the above legislation within ***Administration*** above.

If however, my initial investigations reveal that further recoveries may be available for the insolvent estate, all work undertaken to pursue these recoveries will be estimated within this time category.

Other than the ongoing investigation into the DLA and rates refund as highlighted above, I am unaware of any further areas of investigations that may be required. I do however, anticipate that significant further time costs may be incurred in securing payment of these items.

### ***Liquidator's Expenses***

As also noted, I am required to provide creditors with details of the expenses I consider will be, or are likely to be, incurred in the liquidation. These may include expenses such as agent's costs for assisting in the disposal and realisation of the company's physical assets or other routine expenses associated with an insolvency case such as statutory advertising costs or the office holder's specific penalty bond.

Below is a summary of the expenses I consider will be, or are likely to be, incurred in this case. I will provide a further update in my first progress report to creditors at the anniversary of my appointment as liquidator or sooner, if the case is concluded beforehand.

Expense	Estimated cost
<i>Agents' costs for providing a desktop valuation</i>	250.00 plus VAT
<i>Solicitors' costs for commencing and assisting with recovery action for the overdrawn Directors' Loan Account and rates refund</i>	1,500 plus VAT
<i>Statutory advertising</i>	210.75 plus VAT
<i>Specific penalty bond</i>	30.00 plus VAT
<i>External storage of company's books and records</i>	25.00 plus VAT
<b>Category 2 disbursements charged by the firm:</b>	
<i>Business mileage</i>	45p per mile
<i>Internal Meeting Room</i>	150.00 per statutory meeting required

### ***Kay Johnson Gee Corporate Recovery Limited's Charge-out rates and Category 2 disbursements policy***

Attached to this document are details of my firm's current charge out rates and policy regarding the re-charge of Category 2 disbursements.

Category 2 disbursements require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Any Category 2 disbursements which this firm proposes to charge in this case are reflected in the table of expenses above. Approval to charge these will be sought from creditors when the basis of my remuneration as liquidator is fixed.

It should be noted that my firm's charge-out rates may increase periodically. If any such increases impact on the **fees estimate** for the liquidation, creditors will be notified accordingly.

**Estimate of Fees and Expenses for  
Seymour Motor Company Limited (In Liquidation)  
To 25/07/2017**

	<b>Total Hours</b>	<b>Avg Hourly Rate £</b>	<b>Time Cost £</b>	<b>Disbursements £</b>	<b>Expenses £</b>
<b>Classification of Work Function</b>					
Admin & Planning	15.65	368.84	5,772.50		
Creditors	10.60	310.84	3,295.00		
Investigation	30.60	304.80	9,327.00		
Realisation of Assets	21.90	282.51	6,187.00		
	<u>78.75</u>	<u>312.14</u>	<u>24,581.50</u>		
<b>Disbursements</b>					
Category 1 Disbursements				0.00	
Category 2 Disbursements				0.00	
				<u>0.00</u>	
<b>Expenses (*)</b>					
					<u>0.00</u>
<b>Totals</b>	<u>78.75</u>	<u>312.14</u>	<u>24,581.50</u>	<u>0.00</u>	<u>0.00</u>

(\*) Details of the expenses the IP considers will be, or are likely to be, incurred during the period of this estimate.

**Details of estimated disbursements that will be paid during the period of this estimate.**

**Notes:**

1. Category 1 Disbursements are payable without prior approval as they are payments to independent third parties e.g. advertising, room hire, storage, travel expenses
2. Category 2 Disbursements are costs directly referable to the appointment e.g. Postage, Printing & Stationery, Mileage but as they are not to an independent third party they require approval in the same manner as the fee
3. The figures provided for Expenses are as accurate as possible based on the information available at this time. No prior approval is required for the payments of the expenses as they are regarded as a cost of the administration of the estate
4. Further approval will be sought from the creditors' committee or creditors if the circumstances of the case indicate that the above fee estimate is likely to be exceeded
5. The above estimates are all exclusive of VAT

## KAY JOHNSON GEE CORPORATE RECOVERY LIMITED

### ANALYSIS OF OFFICE HOLDERS' CHARGES EFFECTIVE FROM 1 NOVEMBER 2016

Under current legislation office holders must give details of their charge out rates, the proposed basis of their remuneration, the work expected to be required post appointment, the basis of disbursements incidentally incurred and an estimate of anticipated expenses.

#### **OFFICE HOLDERS' REMUNERATION**

This firm's charge out rates are as follows:

Grade	Rate
Partner	395.00
Senior Manager	330.00
Manager	300.00
Assistant Manager	275.00
Senior Administrator	250.00
Administrator	220.00
Cashier / Insolvency Junior	130.00

This firm charges time in minimum units of 6 minutes.

#### **INCIDENTAL DISBURSEMENTS**

##### Category 1 Disbursements

Category 1 disbursements generally comprise external supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, external room hire and external document storage. Category 1 disbursements do not require approval by creditors.

##### Category 2 Disbursements

Category 2 disbursements do require approval from creditors. These disbursements can include costs for the provision of services which include an element of recharged overhead, for example, internal room hire or document storage.

The following rates currently apply for Category two disbursements incurred:

<u>Disbursement</u>	Cost (£)	
Mileage	0.45	Per mile charged to client
Internal meeting room charge	150.00	Per statutory meeting summoned

The company reserves the right to review and uplift individual charge out rates and the basis of charging disbursements on an annual basis to reflect inflation.

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