

## 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

04764488

Name of Company

SM Pinner Limited formerly known as Sears Morgan Limited

I / We

Paul Michael Davis, New Bridge Street House, 30 - 34 New Bridge Street, London, EC4V 6BJ

Adrian Paul Dante, Cornwallis House, Pudding Lane, Maidstone, Kent, ME14 1NH

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 26/02/2015 to 25/04/2016

Signed

Date

25/4/2016

MacIntyre Hudson LLP  
New Bridge Street House  
30 - 34 New Bridge Street  
London  
EC4V 6BJ

Ref CR100374/PMD/APD/RB

WEDNESDAY



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\*A55SJXJV\*

27/04/2016

#268


COMPANIES HOUSE

**SM Pinner Limited formerly known as Sears Morgan Limited**  
**(In Liquidation)**  
**Joint Liquidators' Trading Account**

Statement of Affairs	From 26/02/2015 To 25/04/2016
TRADING EXPENDITURE	
Rents	3,971 21
	(3,971 21)
TRADING SURPLUS/(DEFICIT)	(3,971.21)

**SM Pinner Limited formerly known as Sears Morgan Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs	From 26/02/2015 To 25/04/2016
<b>ASSET REALISATIONS</b>	
Funds Transferred from Administration	106,768 41
Uncalled Share Capital	NIL
Rent	NIL
Goodwill	110,000 00
Lisence Monies	NIL
Bank Interest Gross	71 06
Rates Refund	3,974 98
Trading Surplus/(Deficit)	(3,971 21)
Misc Funds	45 00
Adm to liquidation	45,614 22
Licence Fee	NIL
	<u>262,502 46</u>
<b>COST OF REALISATIONS</b>	
Office Holders Fees	129,203 35
Office Holders Expenses	116 73
Debtor refund	900 00
Professional Fees	7,000 00
Agents/Valuers Fees (1)	72 19
Legal Fees (1)	12,500 00
Counsel Fees	2,305 00
Statutory Advertising	84 60
Bank Charges	24 82
	<u>(152,206 69)</u>
	<u><u>110,295 77</u></u>
<b>REPRESENTED BY</b>	
Vat Receivable	31,036 18
Bank 2 Current	79,259 59
	<u><u>110,295 77</u></u>

  
 Paul Michael Davis  
 Joint Liquidator

**SM Pinner Limited Formerly Known As Sears Morgan Limited – In Creditors' Voluntary Liquidation**

**LIQUIDATORS' PROGRESS REPORT TO CREDITORS AND MEMBERS**

**For the period ending 25 February 2016**

**STATUTORY INFORMATION**

Company name	SM Pinner Limited
Previous Company name	Sears Morgan Limited
Registered office	New Bridge Street House, 30-34 New Bridge Street, London EC4V 6 BJ
Former registered office	Elm Park House, Elm Park Court, Pinner, Middlesex, HA5 3NN 46-47 Upper Berkeley Street, London, W1H 5QW York House, Empire Way, Wembley, Middlesex, HA9 0QL First Floor Offices, 2 Park Road, Sandy, Bedfordshire, SG19 1AA
Registered number	04764488
Date of incorporation	14/03/2003
Trading address Principal trading activity	Elm Park House, Elm Park Court, Pinner, Middlesex, HA5 3NN Accounting and Auditing Services
Joint Liquidators' name	Paul Michael Davis and Adrian Paul Dante
Joint Liquidators' address	New Bridge Street House, 30-34 New Bridge Street, London EC4V 6BJ
Joint Liquidators' date of appointment	26 February 2015

**LIQUIDATORS' ACTIONS SINCE APPOINTMENT**

There is certain work that I am required by the insolvency legislation to undertake work in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since my appointment as Liquidator is as follows

**1 Administration**

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case
- Setting up physical/electronic case files
- Setting up the case on the practice's electronic case management system and entering data
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment
- Obtaining a specific penalty bond
- Convening and holding general meetings of creditors and members (as applicable)
- Dealing with all routine correspondence and emails relating to the case
- Opening, maintaining and managing the office holder's estate bank account
- Creating, maintaining and managing the office holder's cashbook
- Undertaking regular bank reconciliations of the bank account containing estate funds
- Reviewing the adequacy of the specific penalty bond on a quarterly basis

- Undertaking periodic reviews of the progress of the case
- Overseeing and controlling the work done on the case by case administrators
- Preparing, reviewing and issuing annual progress reports to creditors and members
- Filing returns at Companies House
- Preparing and filing VAT returns
- Preparing and filing Corporation Tax returns

## 2 Creditors

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims
- Maintaining up to date creditor information on the case management system
- Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims
- Preparing report to creditors
- Dealing with investors
- Meetings with creditors

## 3 Investigations

- Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act
- Review and storage of books and records
- Conduct investigations into suspicious transactions
- Review books and records to identify any transactions or actions a Liquidator may take against a third party in order to recover funds for the benefit of creditors
- Liaising with both directors Trustee in Bankruptcy
- Attending creditor committee meetings
- Interviewing various parties regarding the formation of the company

## 4 Realisation of Assets

- Realising the remainder of the consideration
- Liaising with both directors Trustee in Bankruptcy
- Liaising with the Company's bank regarding the account
- Liaising with the insurers regarding the Personal Indemnity Insurance
- Liaising with Solicitors regarding transactions

## **RECEIPTS AND PAYMENTS**

My Receipts & Payments Account for the period from 26 January 2015 to 25 January 2016 is attached at Appendix 1

The balance of funds are held in an interest bearing estate bank account

## **ASSETS**

### Funds Transferred from Administration

I refer to my previous reports in the administration, regarding the realisation of assets. A total of £152,382.63 has been transferred from the administration estate to the liquidation estate.

### Sale of Business

£110,000 has been received from Natasha Kerr of May Park Consulting Limited ('MPC'). A total of £250,000 has been paid by MPC as per the sale purchase agreement.

### **Bank Gross Interest**

A total of £46 58 has been received

### **Rates Refund**

£3,974 98 has been received from London Borough of Brent

### **Misc Funds**

£45 was paid in automatically into the liquidation estate from BKB Sears Morgan

## **LIABILITIES**

### **Rents**

£3,971 21 was paid to the landlord of the Sandy premises

### **Office Holders Fees**

£119,203 35 has been paid to the Joint Liquidators in respect of the administration time costs More details can be found in the remuneration section below

### **Debtor Refund**

£900 was incorrectly paid into the administration in regards to an outstanding book debt Book debts were sold to MPCL as per the Sale and Purchase Agreement (SPA)

### **Professional Fees**

£7,000 was paid to Frenkels Forensics They were instructed to analyse the company bank accounts relating to the investments

### **Legal Fees**

£12,500 has been paid to Coyle White Devine Solicitors in respect of their assistance in the liquidation from appointment to date

### **Counsel Fees**

£2,305 has been paid to Coyle White Devine Solicitors, in respect of them instructing counsel for various matters

### **Statutory Advertising**

£84 60 has been paid to Courts Advertising

### **Bank Charges**

£5 82 has been charged by the bank

### **Secured Creditors**

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has granted the following charges to John Robert Davy, created on 6 June 2014 which was registered on 25 June 2014

There are provisions of the insolvency legislation that require a Liquidator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property" ("prescribed part"). A Company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. A Liquidator has to set aside

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property up to a maximum of £600,000

The **prescribed part** is 50% of the first £10,000 and 20% of the remaining net property (up to a maximum of £600,000). I will not set aside the Prescribed Part as the Net Property is less than £10,000 and the cost of distributing the Prescribed Part would be disproportionate to the benefit, here the Prescribed Part has been calculated at £4,379.01. In addition, the costs associated with adjudicating and distributing the Prescribed Part would be disproportionate to the benefit and therefore no prescribed part will be kept aside.

#### Preferential Creditors

Employees were transferred over under TUPE regulation over to the new company post administration. Due to the transfer, there are no preferential creditors in respect of employees in the administration.

#### Crown Creditors

We have yet to receive a claim from HM Revenue & Customs with regards to liquidation.

#### Non-preferential Unsecured Creditors

The Statement of Affairs was produced by the Joint Administrators, as the directors have failed to provide one during the course of the administration. The statement of affairs included 94 unsecured creditors with an estimated total liability of £21,914,627.30. I have now received claims from investors which total £28,303,142.82. No claims have been adjudicated.

#### **DIVIDEND PROSPECTS**

Due to the insufficient levels of asset realisations, I have been unable to declare a dividend to non-preferential unsecured creditors.

#### **INVESTIGATION INTO THE AFFAIRS OF THE COMPANY**

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved.

I undertook an investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, and the funds likely to be available to fund an investigation, and the costs involved.

Various matters have been reviewed in conjunction with my solicitors, Coyle White Devine Solicitors. However, so that any claims or rights of action are not prejudiced, certain details cannot be disclosed at this stage. Creditors will be updated in future reports.

I have also reviewed the transactions that took place through the Company's bank accounts. There are over 40 accounts that I have traced related to Sears Morgan, and I have undertaken a forensic exercise into tracing the funds coming in and out of these accounts.

On 17 October 2014, when the business was closed as stated above and in my proposals, my staff and I were successful in obtaining the Company computers. No company books and records have been delivered by the company directors. In addition, when I was at the premises on occasions, the books and records did not appear to be

at the premises I have continuously asked the director to provide the books and records of the company and other information, however he has failed to deliver the requested information

In addition, a member of my staff is currently on the creditors committee of both Mr Loundes and Mr Ablitt's bankruptcies I also understand that Maros Lourdes has contacted various individuals regarding their investments, and offered a settlement agreements and contracts I understand this is being investigated by the Joint Trustees

In addition, I have also interviewed various individuals who are either currently working for the company or have worked for the company to obtain further information regarding the company and investments

Within six months of my appointment as Liquidator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company I would confirm that my report has been submitted

### **PRE-ADMINISTRATION COSTS**

On 20 November 2014 the following pre-appointment costs were approved by the secured creditor

Pre-appointment fees charged £2,100

Pre-appointment expenses incurred £50 00

### **JOINT ADMINISTRATORS' REMUNERATION**

My remuneration was authorised by the secured creditor and creditors committee on 21 November 2014 to be drawn on a time cost basis My time costs to 26 February 2015 amount to £129,244 75, representing 496 65 hours of work at an average charge out rate of £260 23 per hour

The Joint Administrators remuneration can be drawn from the liquidation estate

I have drawn £119,203 35 plus VAT from the liquidation estate In addition, I currently have outstanding disbursements of £169 70 outstanding from the administration, details of which can be found in my final report regarding the administration

### **JOINT LIQUIDATOR'S REMUNERATION**

My remuneration was previously authorised by the Creditors Committee at a meeting held on 21 November 2014 to be drawn on a time cost basis My total time costs to 25 February 2016 amount to £88,729 00, representing 334 20 hours of work at an average charge out rate of £265 50 per hour

I have not been able to draw any remuneration in this matter

A schedule of my time costs incurred for the reporting period is attached as Appendix 2

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/> A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3, together with an explanatory note which shows MHA Macintyre Hudson's fee policy are available at the link <http://www.macintyreHUDSON.co.uk/information.html> Please note that there are different versions of the Guidance Notes and in this case you should refer to the Post October 2014 version

### **JOINT LIQUIDATORS' EXPENSES**

I have incurred expenses to 25 February 2016 of £116 73



I have not been able to draw any expenses in this matter

I have incurred the following expenses in the period since my appointment as Joint Liquidator

Type of expense	Amount incurred/ accrued in the reporting period
Companies House	£2 00
Room Hire	£116 73

I have used the following agents or professional advisors in the reporting period

Professional Advisor	Nature of Work	Basis of Fees
Coyle White Devine Ltd	Solicitors	Time cost basis
Frenkels Forensics	Data Analysis	Fixed Fee

The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I have reviewed the fees charged and am satisfied that they are reasonable in the circumstances of this case.

#### FURTHER INFORMATION

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Joint Liquidators' remuneration and expenses within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Joint Liquidators' fees and the amount of any proposed expenses or expenses already incurred within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

#### SUMMARY

The Liquidation will remain open until my investigations have been concluded. In addition, I have made a claim in both Mark Ablitt's and Marios Loundes' bankruptcy. The Trustee also has on going investigations, which may lead to realisations. I estimate that this will take approximately 18 months and once resolved the Liquidation will be finalised and our files will be closed.

If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Rona Bharania on the above telephone number, or by email at [rona.bharania@mhlp.co.uk](mailto:rona.bharania@mhlp.co.uk)



P M Davis  
Joint Liquidator  
Authorised to act in the UK by the  
Institute of Chartered Accountants in England and Wales

**SM Pinner Limited formerly known as Sears Morgan Limited  
(In Liquidation)**

**Summary of Receipts & Payments  
26 February 2015 to 25 February 2016**

<b>RECEIPTS</b>	<b>Total (£)</b>
Funds Transferred from Administration	152,382 63
Goodwill	110,000 00
Bank Interest Gross	46 58
Rates Refund	3,974 98
Misc Funds	45 00
	<hr/>
	<b>266,449.19</b>
 <b>PAYMENTS</b>	
Rents	3,971 21
Office Holders Fees	119,203 35
Debtor refund	900 00
Professional Fees	7,000 00
Legal Fees (1)	12,500 00
Counsel Fees	2,305 00
Statutory Advertising	84 60
Bank Charges	5 82
Vat Receivable	29,012 83
	<hr/>
	<b>174,982.81</b>
 <b>Balance In Hand</b>	<hr/>
	<b>91,466.38</b>
	<hr/>
	<b>266,449 19</b>

**SM Pinner Limited**  
In Creditors' Voluntary Liquidation

Analysis of Time Costs for the period 26 February 2015 to 25 February 2016

Classification of Work	Partner		Director		Manager		Administrator		Assistant		Cashingng		Total Hours	Time Cost	Average Hourly Rate
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)			
Administration and Planning	55.25	25,415.00	0.00	0.00	9.80	2,548.00	53.20	11,693.00	8.80	1,314.00	0.00	0.00	127.05	40,970.00	322.47
CDDA Reports	0.00	0.00	0.00	0.00	0.00	0.00	4.50	990.00	0.00	0.00	0.00	0.00	4.50	990.00	220.00
Investigations	3.00	1,380.00	0.00	0.00	0.00	0.00	109.00	23,980.00	4.00	600.00	0.00	0.00	116.00	25,980.00	223.79
Employees	0.00	0.00	0.00	0.00	0.00	0.00	0.30	66.00	0.00	0.00	0.00	0.00	0.30	66.00	220.00
Creditors	4.75	2,185.00	0.00	0.00	0.00	0.00	45.10	9,922.00	0.90	135.00	0.00	0.00	50.75	12,242.00	241.22
Strategy Case Planning	0.50	230.00	0.00	0.00	0.00	0.00	1.00	220.00	0.00	0.00	0.00	0.00	1.50	450.00	300.00
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	6.80	1,486.00	0.30	45.00	0.00	0.00	7.10	1,541.00	217.04
Meetings	1.50	690.00	0.00	0.00	0.00	0.00	0.00	0.00	2.50	375.00	0.00	0.00	4.00	1,065.00	266.25
Cashiering	0.00	0.00	0.00	0.00	4.70	1,527.50	0.00	0.00	0.70	101.50	11.50	1,840.00	18.90	3,469.00	205.27
Case Review and Diary Management	1.00	460.00	0.10	36.50	1.60	520.00	0.40	88.00	0.60	90.00	0.40	64.00	4.10	1,258.50	308.95
Management of Operations	0.00	0.00	0.00	0.00	1.50	487.50	0.00	0.00	0.00	0.00	0.00	0.00	1.50	487.50	325.00
Company Secretarial	0.50	230.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	230.00	460.00
<b>Total</b>	<b>66.50</b>	<b>30,590.00</b>	<b>0.10</b>	<b>36.50</b>	<b>16.10</b>	<b>4,595.50</b>	<b>220.30</b>	<b>48,455.00</b>	<b>17.80</b>	<b>2,660.50</b>	<b>11.90</b>	<b>1,904.00</b>	<b>334.20</b>	<b>88,729.00</b>	<b>265.50</b>
<b>Average Hourly Rate, £</b>		<b>460.00</b>		<b>365.00</b>		<b>285.43</b>		<b>219.95</b>		<b>149.47</b>		<b>160.00</b>			