

AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

THURSDAY



A22 *A80A3Z00*
28/02/2019 #387
COMPANIES HOUSE

1 Company details

Company number 0 4 7 9 4 3 9 7

Company name in full Tec Sales Limited

Formerly The Estate Company Sales Limited

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

2 Court details

Court name High Court of Justice

Court case number 0 0 1 5 1 9 2 0 1 8

3 Administrator's name

Full forename(s) John

Surname Kelmanson

4 Administrator's address

Building name/number Pearl Assurance House

Street 319 Ballards Lane

Post town London

County/Region

Postcode N 1 2 8 L Y

Country

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5 Administrator's name ①

Full forename(s)

Surname

① Other administrator

Use this section to tell us about another administrator.

6 Administrator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other administrator

Use this section to tell us about another administrator.

7 Appointor/applicant's name

Give the name of the person who made the appointment or the administration application.

Full forename(s)

Surname

John

Kelmanson

8 Proposed liquidator's name

Full forename(s)

Surname

Insolvency practitioner number

John

Kelmanson

4 8 6 6

9 Proposed liquidator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

Pearl Assurance House

319 Ballards Lane

London

N 1 2 8 L Y

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10 Proposed liquidator's name ^①

Full forename(s)

Surname

Insolvency practitioner
number**① Other liquidator**Use this section to tell us about
another liquidator.**11 Proposed liquidator's address ^②**

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidatorUse this section to tell us about
another liquidator.**12 Period of progress report**

From date

d

d

m

m

y

y

y

y

To date

d

d

m

m

y

y

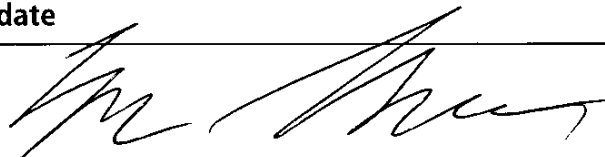
y

y

13 Final progress report☒ I have attached a copy of the final progress report.**14 Sign and date**Administrator's
signature

Signature

X



X

Signature date

d

d

m

m

y

y

y

y

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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 **Louise Dongworth**

Company name **David Rubin & Partners**

Address **Pearl Assurance House**
319 Ballards Lane

Post town **London**

County/Region

Postcode **N 1 2 8 L Y**

Country

DX

Telephone **020 8343 5900**



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 and dated 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 or email 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

IN THE HIGH COURT OF JUSTICE

NO 001519 OF 2018

IN THE MATTER OF

**TEC SALES LIMITED
(FORMERLY THE ESTATE COMPANY SALES LIMITED)
IN ADMINISTRATION**

AND

THE INSOLVENCY ACT 1986

**THE ADMINISTRATORS FINAL PROGRESS REPORT
PURSUANT TO RULE 3.53 AND 18.3
OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016
FOR THE PERIOD 2 MARCH 2018 TO 6 FEBRUARY 2019**

Introduction

I was appointed Administrator of Tec Sales Limited (formerly The Estate Company Sales Limited) ("The Company") on 2 March 2018. The appointment was made by the director Darren Richards pursuant to Paragraph 22 of Schedule B1 of the Insolvency Act 1986 and was filed at the High Court of Justice No 1519 of 2018.

The Administration is moving to Liquidation and I am pleased to provide creditors with my final progress report as required by Rule 3.53 of the Insolvency (England and Wales) Rules 2016. This report should be read in conjunction with the Administrators last progress report to creditors dated 25 September 2018 and to the earlier report dated 24 April 2018 which outlined the proposals for the Administration.

Rule 18.3: Final progress report

(a) **Court:** HIGH COURT OF JUSTICE
Reference number: 001519 of 2018

(b) **Company name:** Tec Sales Limited (formerly The Estate Company Sales Limited)
Company number: 04794397
Registered office: Pearl Assurance House, 319 Ballards Lane, London, N12 8LY
Trading address: 53 Abbey Road, St Johns Wood, London NW8 0AD

(c) **Administrators name and address**

John Kelmanson, office holder number 4866, of David Rubin & Partners was appointed Administrator of Tec Sales Limited on 2 March 2018 and he may be contacted in writing at Pearl Assurance House, 319 Ballards Lane, London N12 8LY.

(d) **Any change in the office holder**

There has been no change in the office holder since the original appointment date but the Administrator changed firms from KCBS LLP t/a Kelmanson Insolvency Solutions, 4 Stirling Court, Stirling Way, Borehamwood, Hertfordshire WD6 2BT to David Rubin & Partners, Pearl Assurance House, 319 Ballards Lane, London N12 8LY on 1 October 2018.

(e) **Details of progress during the period and summary account of receipts and payments**

You may recall that the statutory objective being pursued in the Administration was realising property in order to make a distribution to one or more secured creditor or preferential creditors. In addition to the pursuance of this statutory objective, the Administrator has duties imposed by insolvency and other legislation, some of which may not provide any financial benefit to creditors.

This section of the report provides creditors with an update on the progress made in the period, both in terms of the achievement of the statutory objective, but also work which is required of the Administrator under other related legislation.

As referred to in the Proposals and in my first report, the Company held bank accounts with National Westminster Bank for the specific purposes of holding client funds in relation to rent deposits and landlord floats belonging to the landlords of the respective properties. The Administrator requested the rental and deposit agreements relating to these properties and liaised with the company's agents Touchstone CPS.

Further to discussions with the director a decision was made that the management of these accounts be transferred to Touchstone CPS and the Administrator sought permission from the clients as to how to deal with their funds. A sum of approximately £268k was received by the Administrator of which approximately £254k has been allocated per clients instructions and the Liquidator will continue to deal with these funds going forward.

I would confirm that the work in relation to the client account is a necessity in my capacity as Administrator to comply with statutory requirements and as such will not add any value to the insolvent estate. The Administrator has spent substantial time ensuring that the client funds were safeguarded and that he obtained the correct permissions to deal with the funds appropriately.

The Administrator filed a Notice of disclaimer under section 178 of the Insolvency Act 1986 on 25 May 2018 in respect of the property known as 53 Abbey Road, London NW8 0AD.

A receipts and payments account is attached, which is further explained below.

1. Receipts

1.1 Book debts

The sale of the Company assets was completed prior to Administration on 12 February 2018 to a connected party, Abbey Residential Limited, for £10,000 being £500 for office furniture and equipment and £9,500 for intellectual property goodwill and renewals. An amount of £4,128 has been received to date and there remains £5,872 to collect in the liquidation.

1.2 Directors loan account ("DLA")

The DLA was £236,700 overdrawn per the last filed accounts for the year ended 31 December 2016 and the Administrator made formal demand for repayment of the outstanding amount. In addition the Administrator carried out an analysis of the bank statements from 31 December 2016 to ascertain the further amounts paid to Darren Richards in the period leading up to Administration and this resulted in an increase of the indebtedness to £355,271.

As previously reported the director had sought professional advice with regard to his personal finances since he had guaranteed many of the Company's obligations including that to the secured creditor National Westminster Bank, and was not in a position to meet these obligations in full. The director put forward Proposals for an Individual Voluntary Arrangement and this was approved on 20 December 2018 and the dividend to unsecured creditors in this two year arrangement is estimated at 12.95 pence in the £.

1.3 Debtors

As previously reported there are two outstanding debtors which are estimated in the region of £50,000 and the director remains confident that these funds will eventually be received into the liquidation.

2. Payments

2.1 Statutory advertising

This represents the costs for the publishing of statutory advertising in the London Gazette in respect of the Administrators appointment.

2.2 Specific bond

The specific bond is the cost of insurance, based on the level of realisations by the Joint Administrators, as required by the Insolvency Practitioners Regulations 2005.

2.3 Pre-administration costs

As referred to in the Proposals and my earlier report to creditors and as per a letter of engagement between Kelmanson Insolvency Solutions and the Company dated 16 February 2018, a set fee of £3,500 plus VAT was agreed for the costs associated with assessing the proposed Administration and seeking the appointment of the Administrator and £2,815 plus VAT has been drawn to date.

(f) Administrators remuneration and expenses

- i) The secured creditor National Westminster Bank plc approved that the basis of the Administrators remuneration be fixed to a set fee of £15,000 plus VAT together with a percentage of assets realised and distributions made to creditors as detailed in the fee information sheet provided to creditors.

Details of the realisations to date and the associated remuneration due is set out below:

Asset	Realisations	% Agreed	Remuneration due
Book debts	£4,128	15%	£619

The Administrator has not drawn any remuneration to date.

- ii) Expenses incurred in the Administration are explained at (e) above in my comments on the receipts and payments account.

(g) Details of any assets that remain to be realised

The residual amount due on the sale of the assets and the debtor monies remain to be realised together with any realisation from the director's two year Individual Voluntary Arrangement and any recoveries which may arise from the Liquidator's continued investigations into antecedent transactions and these will be paid into the liquidation account when received.

(h) Any other relevant information

(i)(a) Secured creditors

National Westminster Bank plc are a secured creditor and hold a debenture that was created on 8 April 2011 and registered at Companies House on 15 April 2011. The Bank have confirmed their claim at £121,066 and hold personal guarantees from several individuals on a joint and several liability basis and their claim may be settled by those guarantees. The director Darren Richards was one of those who gave a personal guarantee and the Bank have a claim in his Individual Voluntary Arrangement for the amount owed by the Company to the Bank.

(b) Prescribed Part

Section 176A of the Insolvency Act 1986 provides for a prescribed part of the Company's net property to be retained from distribution to the floating charge holder, where the debenture was created on or after 15 September 2003 and made available for the satisfaction of unsecured debts.

The Company's net floating charge property is not significant based on present realisations but there are realisations anticipated with regard to the sale of assets, book debts, the directors IVA and any recoveries which may arise from the Liquidator's continued investigations into antecedent transactions and it is anticipated that there will be sufficient realisations to enable a dividend to be paid to unsecured creditors and the prescribed part will be transferred to the Liquidation estate when the Company moves from Administration to creditors voluntary liquidation.

(ii) Preferential creditors

There are no preferential creditors in the Administration.

(iii) Unsecured creditors

As funds are expected to become available for unsecured creditors, the Administrator has been requesting creditors to submit their claims so that they can be established in principle for subsequent adjudication by the Liquidator. Unsecured creditors claims per the statement of affairs amounted to £213,169.

The documentation in respect of creditors' claims will be transferred to the Liquidator.

(i) Rule 3.53

- i) I set out in my report dated 24 April 2018 the Administrators Proposals and these are reproduced below and any section numbers and appendices referred to are from that report:

It is proposed that the Administrator will continue to manage the affairs of the Company in order to achieve the objective of the Administration. In the circumstances it is proposed that:

If having realised the assets of the Company, the Administrator thinks that a distribution will be made to the unsecured creditors from the fund created out of the Company's net floating charge property (known as the Prescribed Part) by virtue of section 176A(2)(a), this will be distributed by the Administrator in the Administration and the Company will thereafter proceed to dissolution.

If, however, having realised the assets of the Company the Administrator thinks that a distribution will be made to the unsecured creditors other than by virtue of section 176A(2)(a) as noted above, he proposes filing a notice with the Registrar of Companies which will have the effect of bringing the appointment of the Administrator to an end and will move the Company automatically into Creditors' Voluntary Liquidation (CVL) in order that the distribution can be made. In these circumstances, it is proposed that the Administrator in office at the date of conversion to CVL will become the Liquidator in the CVL.

Court approval is not required to enable the Administrator to make a distribution to the unsecured creditors of the Prescribed Part. If however, a distribution to unsecured creditors not limited to the Prescribed Part is anticipated, the Administrator may consider making an application to Court to seek permission to distribute this in the Administration. If permission is granted, the Company will exit into dissolution once the distribution has been made and the Administration is concluded.

If the Administrator thinks that the Company has no property which might permit a distribution to its creditors, he will file a notice with the Court and the Registrar of Companies for the dissolution of the Company.

See Section 6 below on Exit Routes for further information on the exit routes available from Administration.

The Administrator shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration.

If the Administrator considers it necessary to extend the period of the Administration, he will seek the consent of creditors or the approval of the Court to the extension. Creditors may consent to an extension for a period of up to one year and the Court can order that the Administrator's term of office be extended for a specified period determined by it.

The creditors consider establishing a Creditors' Committee and that if any such Committee is formed they be authorised to sanction the basis of the Administrator's remuneration and disbursements and any proposed act on the part of the Administrator without the need to report back to creditors generally, to include any decision regarding the most appropriate exit route from the Administration.

The basis of the Administrator's remuneration may be fixed as one or more of the following bases and different bases may be fixed in respect of different things done by him:

- a) As a percentage of the value of the assets he has to deal with, or
- b) By reference to time properly spent by the Administrator and his staff managing the Administration, or
- c) As a set amount

In accordance with Statement of Insolvency Practice 9, issued by the Association of Business Recovery Professionals, the Administrator be authorised to draw Category 2 disbursements as and when funds are available, in accordance with his firm's published tariff. Details of Category 2 disbursements charged by the firm can be found at Appendix D.

Where no Creditors' Committee is appointed the remuneration and disbursements of the Administrator shall be fixed by a decision of creditors or where the Administrator thinks that the Company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the Prescribed Part), approval will be sought from the secured and (if necessary) the preferential creditors in accordance with insolvency legislation. The Administrator will also seek approval for any unpaid pre-administration costs detailed in this report and his discharge from liability in the same manner.

In this case, the Administrator is seeking to approve the basis of his remuneration on a mixed fee basis as follows:

- a) As a percentage of the value of the assets with which the Administrator has to deal with
- b) As a set amount

Further details about the proposed fee basis can be found in Section 8 below and Appendix E.

The Administrator will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon his appointment as Administrator ceasing to have effect.

- ii) There have been no major amendments to, or deviation from the proposals set out above.
- iii) The steps taken during the Administration and the outcome are as set out in this Final Report and in particular in section (e) above.

(j) Move from Administration to Liquidation

The Administrator is not able to achieve all the realisations within the 12 month period before the Administration automatically comes to an end and the creditors agreed my proposal that the Administrator may exit the Administration by placing the Company into Creditors' Voluntary Liquidation ("CVL") and that the Administrator in office at the date of conversion to CVL will become the Liquidator in the CVL. In accordance with Paragraph 83 of Schedule B1 of the Act, as Administrator I am moving the Administration to CVL (Form AM22) at Companies House. Once the Form is filed by Companies House, the liquidation will take effect.

I trust you will find this report adequate for your purposes but should you require any further information, please do not hesitate to contact in the first instance my colleague Louise Dongworth at this office.



JOHN KELMANSON - ADMINISTRATOR

DATE 6 FEBRUARY 2019

APPENDIX 1

JOINT ADMINISTRATORS' REMUNERATION AND EXPENSES

1. Administrator's remuneration

The secured creditor National Westminster Bank plc approved that the basis of the Administrators remuneration be fixed to a set fee of £15,000 plus VAT together with a percentage of assets realised and distributions made to creditors as detailed in the fee information sheet to creditors.

The associated remuneration due on realisations of £4,128 of book debts to date amounts to £619. No Administrator's remuneration has been drawn to date.

1.1 Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. The constitution of the case team will usually consist of a Partner, Manager, Senior Administrator and two Administrators. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case.

We have not utilised the services of any subcontractors in this case.

1.2 Basis of Administrator's remuneration

Creditors may recall that the remuneration of the Administrator be fixed by a combination of a fixed fee and a percentage of the assets realised and that the Administrator be authorised to draw category 2 disbursements and be entitled to draw sums on account of their remuneration and disbursements as and when funds permit.

No Administrator's remuneration has been drawn to date.

2. Case overview

The Administrator had to deal with the client funds in relation to rent deposits and landlord floats belonging to the landlords of the respective properties and the liquidator will have to deal with these funds going forward. This work was necessary but will not add any value to the insolvent estate.

Realisation of the Company assets will take in excess of another two years to complete and the Liquidator will continue this process.

3. Issues affecting costs

Dealing with the client funds required a high level of partner involvement.

The work undertaken in the Administration included the following:

- i.) Dealing with rent deposits and landlords floats and the associated rental and deposit agreements;
- ii.) Correspondence and telephone attendances with creditors regarding their claims and general enquiries;
- iii.) Correspondence and telephone attendances with the director in respect of his directors loan account and subsequent liaising with his Nominee and voting in his individual voluntary arrangement;
- iv.) Preparation and circulation of notice of appointment and subsequently the proposals to creditors pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986.
- v.) Correspondence and telephone attendances with the secured creditor and obtaining their agreement to the basis of Administrators remuneration;
- vi.) Correspondence and telephone attendances with the Redundancy Payments Service;
- vii.) Correspondence and telephone attendances with HM Revenue and Customs;
- viii.) Assisting the directors with their preparation of the Directors' estimated Statement of Affairs as at the date of Administration and preparing and circulating the Administrators six month report to creditors;
- ix.) Preparation and submission of the Joint Administrators' report on the conduct of the directors pursuant to the requirements of the Company Directors Disqualification Act 1986.

To view an explanatory note concerning Administrators' remuneration issued by the Joint Insolvency Committee, please visit the Publications folder on our website at www.drpartners.com/cases, using the following log-on details:

USERNAME: KE210@drco.co.uk

PASSWORD: 012EKdb!*

Alternatively, please contact this office to arrange for a copy to be sent to you.

4. Creditors' rights

- 4.1 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 Administrator provide further information about his remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report in accordance with Rule 2.48A,

- 4.2 Under Rule 2.109, 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 Administrators as set out in this progress report are excessive.

5. Policy as regards disbursements

Direct expenses ("Category 1 disbursements")

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

Indirect expenses ("Category 2 disbursements")

It is normal practice to also charge the following indirect disbursements ("Category 2 disbursements" as defined by SIP 9) to the case, where appropriate:

Postage and stationery: circulars to creditors

Headed paper	25p per sheet	Envelopes	25p each
Photocopying	6p per sheet	Postage	Actual cost

Meeting Costs: Use of Meeting Room is charged at £150 per session.

Storage and Archiving

We use a commercial archiving company for storage facilities for company's records and papers. This is recharged to the estate at the rate of £10 per box per quarter, and includes a small charge to cover the administration costs of maintaining the archiving database and retrieval of documents. We also use our own personnel and vehicle for collection of books and records for which we charge £65 per hour.

Mileage incurred as a result of any necessary travelling is charged to the estate at the Inland Revenue approved rate, currently 45p per mile.

APPENDIX 2

TEC SALES LIMITED (FORMERLY THE ESTATE COMPANY SALES LIMITED) - IN ADMINISTRATION

ADMINISTRATORS RECEIPTS AND PAYMENTS ACCOUNT

FOR THE PERIOD FROM 2 MARCH 2018 TO 6 FEBRUARY 2019

	Estimated to realise	
	£	£
Receipts		
Book debts	10,000	4,128.25
Directors loan account	Uncertain	0.00
Interest		0.21
	<u>10,000</u>	<u>4,128.46</u>
Payments		
Specific bond		80.00
Pre Administration fee		2,815.21
Statutory advertising		<u>149.50</u>
		3,044.71
Balance in hand		<u>1,083.75</u>
		<u>4,128.46</u>
Represented by		
Balance at bank	490.81	
VAT receivable	<u>592.94</u>	
	<u>1,083.75</u>	