

## 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

04888168

Name of Company

Pure Innovation Limited

/ I We


Stephen Powell  
12/14 Carlton Place  
Southampton  
SO15 2EA

Gordon Johnston  
12/14 Carlton Place  
Southampton  
SO15 2EA

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 21/11/2013 to 20/11/2014

Signed



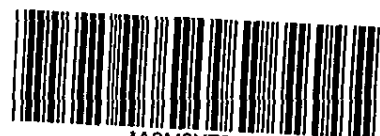
Date

1.12.14

HJS Recovery (UK) Ltd  
12/14 Carlton Place  
Southampton  
SO15 2EA

Ref 5143PURX/SP/GJ/AK/JP/HS

THURSDAY



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04/12/2014

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COMPANIES HOUSE

**Pure Innovation Limited  
(In Liquidation)  
Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs		From 21/11/2013 To 20/11/2014
	<b>ASSET REALISATIONS</b>	
2,000 00	Office Furniture & Equipment	2,000 00
11,497 00	Book Debts	10,926 15
NIL	Investments	NIL
	Bank Interest Gross	0 47
		<u>12,926 62</u>
	<b>COST OF REALISATIONS</b>	
	Specific Bond	50 00
	Preparation of S of A	3,000 00
	Office Holders Fees	7,908 00
	Office Holders Expenses	140 31
	Agents Fees	1,428 39
	Statutory Advertising	290 92
	Land Registry Fees	3 00
	Insurance of Assets	106 00
		<u>(12,926 62)</u>
	<b>PREFERENTIAL CREDITORS</b>	
(9,352 96)	Employee Claims	NIL
		<u>NIL</u>
	<b>UNSECURED CREDITORS</b>	
(9,253 82)	Trade & Expense Creditors	NIL
(34,675 88)	Employee Claims	NIL
(9,650 95)	Barclays Bank Plc	NIL
(55,000 00)	HM Revenue & Customs - PAYE/NIC	NIL
(30,288 00)	Management Buy Out Liability	NIL
(18,290 28)	HM Revenue & Customs - VAT	NIL
(6,000 00)	Unpaid Expenses	NIL
(3,000 00)	HM Revenue & Customs - CT	NIL
		<u>NIL</u>
	<b>DISTRIBUTIONS</b>	
(100 00)	Ordinary Shareholders	NIL
		<u>NIL</u>
<u>(162,114 89)</u>		<u>(0 00)</u>
	<b>REPRESENTED BY</b>	
		<u>NIL</u>

  
 Stephen Powell  
 Joint Liquidator

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

**Pure Innovation Limited**

**- In Liquidation**

**1 December 2014**

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- 1 Introduction and Statutory Information
- 2 Realisation of Assets
- 3 Investigations
- 4 Creditors
- 5 Joint Liquidators' Remuneration
- 6 Joint Liquidators' Expenses
- 7 Creditors' Rights
- 8 Next Report

## **APPENDICES**

- A Receipts and Payments Account from 21 November 2013 to 20 November 2014
- B Time Analysis for the period 21 November 2013 to 20 November 2014
- C Additional Information in relation to Liquidator's fees pursuant to Statement of Insolvency Practice No 9
- D Tasks undertaken by the Joint Liquidators

## 1 Introduction and Statutory Information

- 1 1 I, Stephen Powell of HJS Recovery, 12-14 Carlton Place, Southampton, SO15 2EA, was appointed as Joint Liquidator of Pure Innovation Limited (the **Company**) on 21 November 2013. This report provides an update on the progress in the liquidation for the year ended 20 November 2014.
- 1 2 The principal trading address of the Company was Pearson Court, 1 Kings Road, Fleet, Hampshire, GU51 3SF.
- 1 3 The registered office of the Company has been changed to 12-14 Carlton Place, Southampton, Hampshire, SO15 2EA and its registered number is 04888168.

## 2 Realisation of Assets

### *Office Furniture & Equipment*

- 2 1 The director's estimated Statement of Affairs reported furniture and equipment with a book value of £12,015 but estimated to realise £2,000. An offer of £2,000 plus VAT was received from a company with a common director for these assets. The offer was accepted and payment in full has now been received, albeit after collection agents were instructed.

### *Book Debts*

- 2 2 The director's estimated Statement of Affairs reported outstanding book debts of £22,994, the estimated to realise figure on these debts was £11,497. All of the debtors were contacted following our appointment, resulting in £8,085 being received from five of the debtors. However, in order to realise any of the other outstanding debts it was necessary to instruct a debt collection agency. This resulted in a further £2,842 of debts being recovered. The remainder of the debts were either disputed, already found to have been paid or duplicated in the company records. As such no further realisations will be achieved.
- 2 3 In accordance with Statement of Insolvency Practice No 13 (SIP13), I would advise you that the following assets were sold to a Director of the Company:

Date of transaction	Asset involved and nature of transaction	Consideration Paid and Date	Sold to	Relationship
21 November 2013	Purchase of office furniture & Equipment	£2,000 + VAT paid on 20 March 2014	Lend Link Limited	Common Director

### **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
- 3 2 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 to complete an investigation questionnaire My investigations have not revealed any issues requiring further report

### **4 Creditors**

#### *Secured Creditors*

- 4 1 There are no secured creditors in this matter

#### *Preferential Creditors*

- 4 2 I have received a claim from The Insolvency Service for £633 11 in respect of payments made by them to the former employees

#### *Unsecured Creditors*

- 4 3 I have received claims totalling £192,679 from eight creditors I have yet to receive claims from three creditors whose debts total £15,651 as per the directors' statement of affairs
- 4 4 I would confirm that no dividend to creditors will be made in this case

### **5 Joint Liquidators' Remuneration**

- 5 1 The creditors approved that the basis of the Joint Liquidators' remuneration be fixed by reference to the time properly spent by them and their staff in managing the Liquidation
- 5 2 The time costs for the period from 21 November 2013 are £9,703 75 This represents 61 17 hours at an average rate of £158 64 per hour Attached as Appendix B is a Time Analysis 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 by this firm in managing the Liquidation To date, £7,908 plus disbursements of £449 92 has been drawn on account
- 5 3 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from [www.hjsrecovery.co.uk/publications](http://www.hjsrecovery.co.uk/publications)

5 4 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 5 Since the date of appointment no Category 2 disbursements have been taken

## 6 Joint Liquidators' Expenses

6 1 The following expenses have been incurred since appointment

Supplier / Service Provider	Nature of expense incurred	Amount incurred to date £	Paid to date £	Amount Outstanding £
Husband Collections	Fees in relation to collection of book debts and funds re sale of assets	1428 39	1428 39	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 Liquidators 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 Liquidators, 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. It is my intention to bring the liquidation to a conclusion shortly

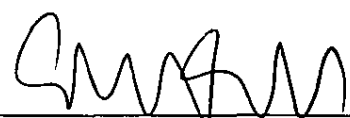
  
**Stephen Powell FCCA MABRP**  
Joint Liquidator

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**Pure Innovation Limited  
(In Liquidation)  
Joint Liquidators' Abstract of Receipts & Payments**

**Appendix A**

<b>Statement of Affairs</b>		<b>From 21/11/2013 To 20/11/2014</b>	<b>From 21/11/2013 To 20/11/2014</b>
	<b>ASSET REALISATIONS</b>		
2,000 00	Office Furniture & Equipment	2,000 00	2,000 00
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	<b>PREFERENTIAL CREDITORS</b>		
(9,352 96)	Employee Claims	<u>NIL</u>	<u>NIL</u>
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(6,000 00)	Unpaid Expenses	NIL	NIL
(3,000 00)	HM Revenue & Customs - CT	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>DISTRIBUTIONS</b>		
(100 00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<b>(162,114 89)</b>		<u><b>(0 00)</b></u>	<u><b>(0.00)</b></u>
	<b>REPRESENTED BY</b>		
			<u><b>NIL</b></u>

  
 Stephen Powell  
 Joint Liquidator



## TIME AND CHARGE OUT SUMMARIES - PERIOD 21 NOVEMBER 2013 TO 20 NOVEMBER 2014

Hours							
Classification of work function	Insolvency Practitioner	Manager/ Senior Manager	Supervisor	Assistants & Support Staff	Total Hours	Time Cost	Average hourly rate

Administration, Planning & Statutory Duties	1 75	0 00	4 00	10 04	15 79	£2,095 50	£132 71
Investigations	0 50	0 00	7 50	0 00	8 00	£1,300 00	£162 50
Realisations of assets	3 00	0 00	18 70	0 00	21 70	£3,862 50	£178 00
Creditors	0 75	0 00	6 40	0 67	7 82	£1,291 25	£165 12
Tax reviews	0 65	0 00	0 00	4 38	5 03	£709 50	£141 05
Closure	0 50	0 00	1 00	1 33	2 83	£445 00	£157 24
<b>Total</b>	<b><u>7 15</u></b>	<b><u>0 00</u></b>	<b><u>37 60</u></b>	<b><u>16 42</u></b>	<b><u>61 17</u></b>	<b><u>£9,703 75</u></b>	<b><u>£158 64</u></b>
Current Chargeout rates	£350	£200 - £275	£150 - £175	£50 - £125			
Previous Chargeout rates	£275 - £500	£150 - £200	£125	£50 - £105			

## Appendix C

### ADDITIONAL INFORMATION IN RELATION TO LIQUIDATOR'S FEES PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9 (SIP9)

#### Policy

Detailed below is HJS Recovery's policy in relation to

- Staff allocation and the use of subcontractors
- Professional advisors
- Disbursements

#### *Staff allocation and the use of subcontractors*

The 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, 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. The charge out rate schedule below provides details of all grades of staff and their experience level.

We have not utilised the services of any sub-contractors in this case.

#### *Professional advisors*

On this assignment we have used the professional advisors listed below. 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 Fee Arrangement
Husband Collection Services Ltd	Percentage of debts recovered

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.

#### *Disbursements*

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.

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.

On this case no Category 2 disbursements have been incurred since appointment.

### **Charge-out Rates**

A schedule of HJS Recovery's charge-out rates for this assignment effective from 31 May 2011 is detailed below.

	£
Insolvency Practitioners	350
Senior Managers & Managers	200 - 275
Supervisors	150 - 175
Administrators and Support Staff	50 - 125

Specialist departments within HJS accountants, such as Tax, VAT and Pensions, do sometimes charge a small number of hours to an assignment, should the Insolvency Partners require their expert advice. Their rates do vary however, the figures given below provide an indication of the rates charged per hour.

	£
Directors	110 - 175
Senior Managers & Managers	82 - 120
Supervisors	42 - 70
Administrators and Support Staff	20 - 40

Please note that we reserve the right to amend these rates from time to time during the course of the assignment. However, any material amendments to these rates will be advised to creditors in the next statutory report. Please note that this firm records its time in minimum units of 6 minutes.

## Appendix D

An indication of the tasks undertaken by the Joint Liquidators and their staff are detailed below

### Administration and Planning

- Statutory duties associated with the appointment including the filing of relevant notices,
- Notification of appointment to creditors, members, employees and other interested parties,
- Reviewing available information to determine appropriate strategy,
- Setting up case files,
- Setting up and maintaining bank accounts,
- Progress reviews of the case,
- Statutory reporting to creditors

### Realisation of Assets

Please refer to section 2 of the report, but in summary the time spent includes

- Liaising with agents & solicitors
- Correspondence and meetings with interested parties,
- Monitoring and chasing of sale consideration,
- Identifying, securing and insuring of assets,
- Debt collection,

### Creditors

- Recording and maintaining the list of creditors,
- Dealing with employee related matters,
- Meetings with creditors,
- Recording creditor claims,
- Dealing with creditor queries,
- Reviewing and evaluating creditor claims and providing responses

### Investigations

- Corresponding with the former directors and management,
- Recovery and schedule of the Company's books and statutory records,
- Conduct an analytical review of the Company records,
- Review of questionnaires and comments provide by interested parties,
- Questioning of directors and other key personnel,
- Completion of statutory report to the Department for Business, Innovation and Skills

### Tax Reviews

- Completion of post-appointment VAT returns and Corporation Tax returns,
- Review of post appointment tax matters