

## Section 106

Return of Final Meeting in a  
Creditors' Voluntary Winding UpPursuant to Section 106 of the  
Insolvency Act 1986

To the Registrar of Companies

**S.106**

Company Number

05185338

Name of Company

Brittons Limited

I, ~~the~~

Timothy Alexander Close, Winchester House, Deane Gate Avenue, Taunton, Somerset, TA1 2UH

Note The copy account must be  
authenticated by the written  
signature(s) of the Liquidator(s)

1 give notice that a general meeting of the company was ~~duly held on~~/summoned for 29 May 2014 pursuant to section 106 of the Insolvency Act 1986, for the purpose of having an account (of which a copy is attached) laid before it showing how the winding up of the company has been disposed of, ~~and that the same was done accordingly~~ / no quorum was present at the meeting,

2 give notice that a meeting of the creditors of the company was duly held on/~~summoned for~~ 29 May 2014 pursuant to Section 106 of the Insolvency Act 1986, for the purpose of having the said account laid before it showing how the winding up the company has been conducted and the property of the company has been disposed of and that the same was done accordingly/~~no quorum was present at the meeting~~

The meeting was held at Winchester House, Deane Gate Avenue, Taunton TA1 2UH

The winding up covers the period from 31 May 2011 (opening of winding up) to the final meeting (close of winding up)

The outcome of any meeting (including any resolutions passed) was as follows

There were no members represented in person or by proxy at the meeting and accordingly there was no quorum

There were two creditors represented by proxy at the meeting and accordingly the following resolutions were passed  
To accept the liquidator's final report and account  
To approve the liquidator's release from office

Signed



Date

29 May 2014

Milsted Langdon LLP  
Winchester House  
Deane Gate Avenue  
Taunton  
Somerset  
TA1 2UH

Ref BRIVPOST/TAC/KA/JB

THURSDAY



\*A39FG909\*

A14

05/06/2014

#104

COMPANIES HOUSE

**Brittons Limited**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**  
**From 31 May 2011 To 29 May 2014**

S of A £		£	£
	<b>SECURED ASSETS</b>		
77,000 00	Book debts	57,661 82	57,661 82
	<b>SECURED CREDITORS</b>		
(56,233 26)	Lloyds TSB Commercial Finance PLC	57,661 82	
(40,105 04)	Bridges (Electrical Engineers) Limited	NIL	(57,661 82)
	<b>ASSET REALISATIONS</b>		
7,968 00	Plant & machinery	4,944 00	
175 00	Office Furniture	225 00	
4,750 00	Motor vehicle	4,120 00	
5,000 00	Stock	12,500 00	
	Book debts	44,639 90	
	Sale of Scrap Metal	272 25	
17,000 00	Cash held by third party	19,266 03	
	Rent	8,700 00	
200 00	Petty Cash	302 61	
	Settlement monies	10,000 00	
	Bank interest gross	294 15	
	Sundry refunds	831 14	106,095 08
	<b>COST OF REALISATIONS</b>		
	Specific bond	260 00	
	Pre-Appointment fees	4,700 00	
	Pre-Appointment expenses	59 30	
	Office holder's fees	49,869 14	
	Office holder's expenses	1,250 81	
	Building surveyor fees	617 50	
	Agents/Valuers fees	7,848 24	
	Legal fees	9,719 75	
	Corporation tax	58 84	
	Statutory advertising	229 50	
	Utility costs	468 92	
	Landlord ransom payment	3,000 00	
	Insurance of assets	441 85	(78,523 85)
	<b>UNSECURED CREDITORS</b>		
(83,423 79)	Trade & expense creditors	9,274 62	
(76,855 50)	Employees	7,754 71	
(38,335 72)	HM Revenue & Customs (VAT)	4,804 85	
(8,287 82)	HM Revenue & Customs (PAYE/NI)	576 23	
(120,088 97)	Bridges (Electrical Engineers) Limited	2,563 31	
(48,000 00)	Landlord	2,597 51	
(22,569 53)	Stotts Transport Loan	NIL	(27,571 23)
<b>(381,806.63)</b>			<b>(0.00)</b>

**Brittons Limited**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**  
**From 31 May 2011 To 29 May 2014**

**S of A £**

**£**

**£**

REPRESENTED BY

**NIL**



Timothy Alexander Close  
Liquidator

# **Liquidator's Final Progress Report to Creditors**

**BRITTONS LIMITED  
IN LIQUIDATION**

**29 MAY 2014**

## **CONTENTS**

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- 2 Progress of the Liquidation
- 3 Unrealisable Assets
- 4 Investigations
- 5 Outcome for Creditors
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- 9 Conclusion

## **APPENDICES**

- A Receipts and Payments Account from 31 May 2013 to closure including cumulative values for the entire period of the liquidation
- B Time Analysis for the period 31 May 2013 to closure
- C Time Analysis for the period 31 May 2011 to closure
- D Additional Information in relation to Liquidator's fees pursuant to Statement of Insolvency Practice No 9 (SIP9)

## **1.0 INTRODUCTION**

- 1 1 I, Timothy Alexander Close, of Milsted Langdon LLP, was appointed as Liquidator of Brittons Limited (the Company) on 31 May 2011. This report provides a summary of the outcome of the liquidation of the Company which has now been completed and should be read in conjunction with my previously published reports, which give details of the asset realisations.
- 1 2 The principal trading address of the Company was Waterlip Works, Cranmore, Shepton Mallet, Somerset, BA4 4RW. The business traded under the name Brittons Limited.
- 1 3 The registered office of the Company was changed to Winchester House, Deane Gate Avenue, Taunton, Somerset, TA1 2UH and its registered number is 05185338.
- 1.4 The liquidation commenced in May 2011 with estimated asset value of £55,860 and anticipated liabilities of £437,196, which subject to a distribution to its chargeholder Bridges (Electrical Engineers) Limited ("Bridges") and the cost of liquidation expected a minimal return to unsecured creditors by way of a Prescribed part distribution.
- 1 5 The actual return to creditors was 11.36p/£, which is significantly more than expected due to the withdrawal of Bridges' secured claim. This is detailed further in Paragraphs 4.8 to 4.20 below.

## **2.0 PROGRESS OF THE LIQUIDATION**

### **Bank Interest Gross**

- 2 1 Interest has continued to be received gross on funds held and the appropriate Corporation Tax has been paid on the interest accrued.
- 2 2 At Appendix A, I have provided an account of my Receipts and Payments for the period with a comparison to the Directors' Statement of Affairs value. Appendix B and C provide details of the remuneration charged and expenses incurred and paid by the Liquidator during his administration of the liquidation.
- 2 3 Further information on the Liquidator's remuneration can be found in section 6 below.

## **3.0 UNREALISABLE ASSETS**

- 3 1 During the course of my administration of the liquidation all of the Company assets included in the Director's Statement of Affairs have been accounted for. I have also collected additional monies in respect of book debts, sale of scrap metals, rent, settlement monies, sundry refunds and bank interest gross and, accordingly, I can confirm that there are no unrealised assets of the Company.

## **4.0 INVESTIGATIONS**

- 4 1 In accordance with the Company Directors Disqualification Act 1986 I would confirm that I have submitted a report on the conduct of the Directors of the Company to the

Department for Business Innovation & Skills As this is a confidential report, I am not able to disclose the contents

4 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

4 3 My investigations revealed the following issues

**Possible preference payments to Mr Stott**

4 4 Mr Stott was a director of the Company between 18 November 2004 and 28 August 2008 and again from 7 August 2009 to 28 February 2011 A long term loan was made to the Company on 17 December 2009 to be repaid by 24 monthly instalments Regular payments were subsequently made in reduction of the loan by Bridges

4 5 In addition to these monies Mr Stott also made short term loans to the Company in December 2010 and January 2011 These were repaid in full in February 2011

4 6 Insolvency legislation contains provisions which relate to the repayment of connected party loans within certain time periods

4 7 The repayment of these loans appeared to have been made contrary to Section 239 of the Insolvency Act 1986

**Possible invalidity of floating charge**

4 8 On 18 June 2010 Bridges, an associated company, registered a fixed and floating charge debenture over the assets and undertakings of the Company

4 9 In the period following the creation of the debenture the Company's accounts show a number of transactions crediting the debenture holder

4 10 Section 245 of the Insolvency Act addresses the granting of such a charge within a relevant time period and the validity of that charge in terms of the amount secured by it

4 11 My interpretation of this section and the transactions that took place subsequent to its creation led me to question whether it secured the sum of £40,105 as indicated in the Director's Statement of Affairs

**Possible preference payments to Bridges**

4 12 As stated above, payments to a connected party prior to liquidation can give rise to claims by a liquidator

4 13 Trading and loan accounts were maintained between Bridges and the Company As a result substantial sums passed between the companies in the twelve months prior to liquidation

4 14 The payment of some of these monies would appear to be made contrary to S 239 of the Insolvency Act 1986

- 4 15 The Company had a number of accounts with both Mr Stott and Bridges and the transactions with these parties required considerable work on the accounting records before I was able to form a view on the above matters
- 4 16 As a consequence of these apparent breaches, solicitors were instructed to review the findings of my investigations and they confirmed that they believed that the provisions of S 245 and S.239 of the Insolvency Act 1986 applied in this case. As a result letters were drafted by them to both parties outlining the basis of the claims against them
- 4 17 My solicitors received responses from both parties strongly disputing any liability in respect of having been preferred as creditors and also that S 245 should limit Bridges' recovery under the debenture
- 4 18 Their replies contained detailed accounting information in support of their response and considerable in depth investigation of the accounting records was required to assess the statements made
- 4 19 Extensive correspondence with both parties and their solicitors followed. This culminated in a meeting at my offices where an offer was put forward by Bridges in settlement of any potential claims to be made against them and Mr Stott. The offer included a cash settlement in the amount of £10,000, the withdraw of their claim as a secured creditor under their charge and of their unsecured claim in the liquidation (subject to a possible contingent claim arising from any amount paid over to Mr Stott by them as guarantors of the loan taken out by the company). This proposed offer was in full and final settlement of any claims against either Bridges or Mr Stott personally
- 4 20 My solicitors confirmed that this offer should be accepted and this was subsequently agreed with the payment being received shortly afterwards

## **5.0 OUTCOME FOR CREDITORS**

### **Secured Creditors**

- 5 1 Lloyds TSB Commercial Finance Plc held a fixed and floating charge over the Company's assets and an assignment of the Company book debts. At the date of the liquidation the indebtedness was estimated at £56,233.26 and has now been agreed at £57,661.82 which includes interest
- 5 2 As the book debts were already controlled by the chargeholder by way of their assignment, the majority have been collected by them with the assistance of the former directors and the chargeholder has received payment in full under its charge
- 5 3 A second fixed and floating charge over the Company's assets was registered with Companies House in favour of Bridges on 18 June 2010
- 5 4 The chargeholder has agreed that no amount is due under the charge as detailed in Paragraph 4 19 above



### **Preferential Creditors**

- 5 5 The Director's Statement of Affairs detailed that no preferential claims were expected as all preferential entitlements to employees were paid by the Company prior to liquidation
- 5 6 No preferential claims have been subsequently received by me, and the Redundancy Payments Service have submitted their final claim in the liquidation confirming the same

### **Unsecured Creditors**

- 5 7 I received claims totalling £242,760 09 from 74 creditors
- 5 8 Whilst the Company granted a floating charge to Bridges on 18 June 2010, under the settlement terms detailed in paragraph 4 19 above, Bridges have agreed that no claim will be made in the liquidation under their charge Accordingly there is no requirement to set aside a prescribed part for creditors
- 5.9 I can confirm that a full and final dividend of 11 36p/£ was paid to the unsecured creditors on 27 March 2014

### **6.0 LIQUIDATOR'S REMUNERATION**

- 6 1 The Creditors approved that the basis of the Liquidator's remuneration be fixed by reference to the time properly spent by him and his staff in managing the Liquidation
- 6 2 My time costs for the period 31 May 2013 to closure are £11,716 65 This represents 101 49 hours at an average rate of £115 45 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 me in managing the Liquidation This includes accruals for the anticipated costs to closure of £1,508 90 plus disbursements of £317 89 Also attached as Appendix C is a Time Analysis which provides details of the activity costs incurred by staff grade during the entire period of my administration from 31 May 2011 to closure I would confirm that the amount of £49,869 14 plus disbursements of £1,250 81 has been drawn in total and that no further fees will be taken The remaining balance will be written off following closure of the case
- 6 3 Below is further guidance on the work involved for each category

Description	Explanation
Administration and Planning	This time relates to the administrative duties undertaken by me and my staff It includes all statutory duties in respect of my obligations, including, Companies House filings and periodic reviews It includes time spent attending to tax and VAT issues and case progression.
Investigations	This time relates to reviewing the Company's books and records and my investigations into the financial affairs of the Company in the period leading up to the liquidation It also relates to time spent drafting and completing my report on the

	director's conduct to the Department of Business Innovation and Skills as well as pursuing the claims as detailed in section 4 of this report
Realisations	This relates to the time spent collecting the cash held by a third party, the outstanding book debts, arranging for the sale of company assets and pursuing all claims against debtors of the company via the courts where applicable and collecting refunds due and accounting for the asset realisations
Creditors	This time relates to creditors' general enquiries and correspondence and the agreement of creditors claims, as well as preparing and issuing reports to creditors and distributing a dividend to agreed creditors

- 6.4 Attached as Appendix D 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

## 7.0 LIQUIDATOR'S EXPENSES

- 7.1 Between 31 May 2011 and closure, and including accruals for closure, the following expenses have been incurred and paid

Party	Description	Incurred	Paid	Written off
AUA Insolvency Risk Services	Specific Bond	£260	£260	Nil
	Insurance of assets	£441 85	£441 85	
J P Gainsford Associates	Building Surveyor fees	£617 50	£617 50	Nil
MST Auctioneers Limited	Agents/Valuers' Fees	£7,848 24	£7,848 24	Nil
Stephens Scown LLP	Legal fees re preferences	£5,942 00	£5,942 00	Nil
Courts Advertising Limited	Statutory Advertising	£229 50	£229 50	Nil
	(Final advert)	£101 52	Accrued £101 52	
Royal Mail Group Limited	Mail Redirection	£120 00	£120 00	Nil
British Gas	Electricity costs	£468 92	£468 92	Nil
Porter Dodson LLP	Legal fees re debt collection	£3,777 75	£3,777 75	Nil
<b>Total</b>		<b>£19,807.28</b>	<b>£19,807.28</b>	<b>Nil</b>

7 2 Between 31 May 2013 and closure, and including accruals for closure, the following category 2 disbursements have been taken

• Photocopying	£4 60	(accrual £1 60)
• Faxes	£1 00	
• Mailing Fee including postage	£131 29	(accrual £84 80)
• Archive Management (storage)	£113 18	(accrual £76 89)
• Mail Redirection	£120 00	
• Room Hire	£70 00	(accrual £70 00)

## 8.0 CREDITORS' RIGHTS

8 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 Liquidator provide further information about this remuneration or expenses which have been itemised in this progress report

8 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 Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive

## 9.0 CONCLUSION

9 1 This report together with final meetings of members and creditors will conclude my administration Details of the final meetings and resolutions to be considered have been circulated with this report

Yours faithfully



T A CLOSE  
Liquidator

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## Appendix A

REPRESENTED BY

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**NIL**

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Notes

This estate is VAT registered and therefore VAT should be recoverable

The following dividends have been paid to creditors,

Unsecured Distribution paid on 19/03/2014 of 11 36p in £

**Brittons Limited**  
**Time and disbursement analysis**  
**For the period 31 May 2013 to 27 March 2014**

Charge group	Partner	Manager	Other Senior Professionals	Assistants and Support Staff	Total	Total cost (£)	Avg. Hourly Rate (£)
Administration & planning	2 60	4 51	7 90	4 50	19 51	2,377 55	121 86
Realisations	0 00	0 69	2 55	3 75	6 99	560 05	80 12
Creditors	3 90	10 19	43 80	4 50	62 39	7,270 15	116 53
Accrued time	1 50	2 50	5 00	3 60	12 60	1,508 90	119 75
Total time	8 00	17 89	59 25	16 35	101 49	11,716 65	115 45
<b>Disbursements</b>							
Faxes						1 00	
Photocopying						3 00	
Mailing Fee (Insolvency)						46 49	
Archive Management (Insolvency)						36 29	
Accrued Disbursements						317 89	
Total disbursements						404 67	
				<b>Grand Total</b>		<b>12,121.32</b>	

**Brittons Limited**  
**Time and disbursement analysis**  
**For the period 31 May 2011 to 27 March 2014**

Charge group	Partner	Manager	Other Senior Professionals	Assistants and Support Staff	Total	Total cost (£)	Avg. Hourly Rate (£)
Administration & planning	4 70	22 62	27 00	30 45	84 77	8,807 75	103 90
Investigations	12 25	24 93	31 60	29 50	98 28	11,161 40	113 57
Realisations	12 20	30 58	21 95	22 90	87 63	10,711 82	122 24
Creditors	17 40	28 41	80 05	36 25	162 11	18,403 32	113 52
Fixed charge realisations	0 00	0 00	0 00	0 40	0 40	24 00	60 00
Accrued time	1 50	2 50	5 00	3 60	12 60	1,508 90	119 75
<b>Total time</b>	<b>48 05</b>	<b>109 04</b>	<b>165 60</b>	<b>123 10</b>	<b>445 79</b>	<b>50,617 19</b>	<b>113 54</b>
<b>Disbursements</b>							
Faxes						5 50	
Photocopying						458 00	
Sundry Disbursements						120 54	
Postage						2 24	
Mileage						55 45	
Mailing Fee (Insolvency)						174 95	
Archive Management (Insolvency)						152 54	
Sundry Insolvency Costs						27 20	
Company Searches						13 00	
Accrued Disbursements						317 89	
<b>Total disbursements</b>						<b>1,327 31</b>	
				<b>Grand Total</b>		<b>51,944.50</b>	

N B For a more detailed explanation of the categories above please see the attached analysis

## **ADDITIONAL INFORMATION IN RELATION TO THE OFFICE HOLDER'S FEES PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9**

### **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. Our charge out rate schedule below provides details of all grades of staff and their experience level.
- 1 3 We have not utilised the services of any sub-contractors in this case.

### **2. Professional Advisors**

- 2 1 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.

<b>Name of Professional Advisor</b>	<b>Basis of Fee Arrangement</b>
Porter Dodson (legal advice re tenant)	Hourly rate & disbursements
AUA Insolvency Risk Services Limited (insurance)	Fixed Rate
MST Auctioneers Limited (valuation and disposal advice, storage charges/theft of assets)	Fixed collection costs plus commission on sale of items plus expenses
Stephens and Scown LLP (legal advice re investigations)	Hourly rate and disbursements
J P Gainsford Associates (building surveyor re dilapidations claim relating to rented property)	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.



## Disbursements

- 2.3 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 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.
- 2.4 Category 2 disbursements do require approval from creditors. These are the 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, faxes and photocopying.
- 2.5 We would advise that Category 2 disbursements are currently charged by this firm at the following rates:

Disbursement	Charge
Faxes	20p per sheet
Internal room hire for creditors' meetings	£70
Mailing fees (including postage)	
VA Proposals	£3.25 per pack
Large - over 20 pages	£1.00 per pack
Large	80p per pack
Small	60p per pack
Mileage	45p per mile
Photocopies	10p per sheet

## 3. Charge-out Rates

- 3.1 A schedule of our charge-out rates for this assignment is detailed below. These rates are reviewed on an annual basis but there have been no material increases in these rates since the commencement of this case.

	£/hr
Partners	230-250
Managers and Administrators	85-175
Other administrative staff	29-65

- 3.2 Please note that this firm records its time in minimum units of 1 minute.

## 4. Creditors' Guide to Fees

- 4.1 A Creditors' Guide to the manner in which remuneration charged in this case and the rules relating to this area are detailed in the guides available on our website at <http://www.milsted-langdon.co.uk/specialisms/insolvency/creditors-guides-to-remuneration/>