

**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

05607342

Name of Company

Northern Arc Limited

I / We
Neil Frank Vinnicombe
Harbourside House
4-5 The Grove
Bristol
BS1 4QZ

Simon Robert Haskew
Harbourside House
4-5 The Grove
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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 16/02/2012 to 15/02/2013

Signed



Date

15 FEB 2013

Begbies Traynor (Central) LLP
Harbourside House
4-5 The Grove
Bristol
BS1 4QZ

Ref NO051MVL/NFV/SRH/AQ/CLP/JMB



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COMPANIES HOUSE

Northern Arc Limited (In Members' Voluntary Liquidation)

Progress report pursuant to Section 92A of the Insolvency Act 1986 and Rule 4.49C of the Insolvency Rules 1986

Period: 16 February 2012 to 15 February 2013

Important Notice

This report has been produced solely to comply with our statutory duty to report to members of the Company pursuant to Section 92A of the Insolvency Act 1986. This report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1 INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Northern Arc Limited (In Members' Voluntary Liquidation)
"the liquidators", "we", "our" and "us"	Neil Frank Vinnicombe and Simon Robert Haskew of Begbies Traynor (Central) LLP, Harbourside House, 4-5 The Grove, Bristol, BS1 4QZ
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	<p>(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and</p> <p>(ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)</p>
preferential creditors	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Trading name(s)	Northern Arc Limited
Company registered number	05607342
Company registered office	c/o Begbies Traynor (Central) LLP, Harbourside House, 4-5 The Grove, Bristol, BS1 4QZ
Former trading address	Leigh Court Business Centre, Pill Road, Abbots Leigh, Bristol, BS8 3RA

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	16 February 2012
Date of liquidators' appointment	16 February 2012
Changes in liquidator (if any)	N/A

4. PROGRESS DURING THE PERIOD

Attached at **Appendix 1** is our account of receipts and payments from the commencement of the winding-up to the end of the first anniversary

Our comments on items appearing in the account are as follows

RECEIPTS

Debtor

The only asset listed in the directors' Declaration of Solvency was a debtor balance owed by its parent undertaking, GWE Business West Ltd ('GWE') in the sum of £927,981 as reconciled to the Company's final cessation accounts to 31 March 2011

As GWE hold 60% of the Company's preference shares it was due to receive 60% of the debtor balance back by way of a capital distribution. Therefore only 40% of the debtor balance was repaid by GWE plus the costs of the liquidation, in total, £365,647 63

PAYMENTS

Preference Shares – Distribution

On 5 April 2012 a first and final distribution was declared for the preference shareholders of 95 31 pence in the pound totalling £924,514 18. GWE received its distribution of £562,333 37 by way of an 'in-specie' distribution of the debtor balance it owed, whilst the other preference shareholder, Gloucester Enterprise Ltd ('GEL'), received its distribution of £362,180 81 in cash

Liquidators' Remuneration and Disbursements

Liquidators' remuneration of £3,000 and disbursements of £466 82 have been drawn in accordance with the members written resolutions that became effective on 16 February 2012

5. CREDITORS

As in any liquidation, in a members' voluntary liquidation creditors are required to prove their claims and the liquidators must examine the proofs and the particulars of the claims and admit them, in whole or in part, or reject them. The liquidators must then settle the priorities of the creditors (as between secured, preferential and unsecured creditors) before paying them in full with statutory interest

The statement of assets and liabilities embodied within the declaration of solvency sworn by the directors indicated that there were no outstanding creditors, and we have obtained clearance from HM Revenue & Customs that no further amounts are due in respect of PAYE and National Insurance, Corporation Tax and VAT

6. DISTRIBUTIONS TO MEMBERS

The Company's preference shareholders received a first and final distribution of £924,514 on 5 April 2012, representing 95 31 pence in the pound per preference share held

7. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by a resolution of the members of the Company by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the liquidation subject to us having agreed that our remuneration shall not exceed the sum of £3,000 plus VAT in circumstances where the value of time given by us and our staff in attending to matters arising in the winding up exceeds this sum

We are also authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, details of which were sent to the members of the Company when written resolutions, including the special resolution that the Company be wound up voluntarily were circulated to them and which is attached at **Appendix 2** of this report

Our time costs for the period from 16 February 2012 to 15 February 2013 amount to £7,269 which represents 27 5 hours at an average rate of £264 33 per hour

The following further information in relation to our time costs and disbursements is set out at **Appendix 2**

- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 16 February 2012 to 15 February 2013
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

We have drawn the total sum of £3,000 plus disbursements of £466 82 in accordance with the approval obtained, leaving unbilled time costs of £4,269 which have been written off as irrecoverable

8. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at **Appendix 3**

9. ASSETS THAT REMAIN TO BE REALISED

There are no assets that have proved to be unrealisable

10. MEMBERS' RIGHTS

Right to request further information

Pursuant to Rule 4.49E of the Rules, within 21 days of the receipt of this report a member or members of the Company with at least 5% of the voting total rights of all the members having the right to vote at general meetings of the Company (or any member or members with less than 5% of the total voting rights, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been detailed in this progress report

Right to make an application to Court

Pursuant to Rule 4.148C of the Rules, within 8 weeks of receipt of this progress report any member or members of the Company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the Company (or any member, or members with less than 10% of the total voting rights, but with the permission of the Court) may make an application to court on the grounds that the remuneration charged or the expenses incurred as set out in this progress report are excessive or, the basis fixed for our remuneration is inappropriate

11. CONCLUSION

A final report is being produced which will be forwarded to the members, calling a final meeting



Simon Haskew
Joint Liquidator

Dated 15 February 2013

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 16 February 2012 to 15 February 2013

	Statement of affairs	
	£	£
RECEIPTS		
Debtor - GWE Business West Ltd	927,981 00	927,981 00
	<u>927,981 00</u>	<u>927,981 00</u>
PAYMENTS		
Liquidators' Fees		3,000 00
Liquidators' Expenses		466 82
Preference Shareholders Distribution 95 31p/£		924,514 18
		<u>927,981 00</u>

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Narrative summary of time costs incurred, and
- d Table of time spent and charge-out value for the period from 16 February 2012 to 15 February 2013

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of a solvent estate and seeks member approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to members regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where member approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF SOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF SOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories.

- ☐ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ☐ *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval)

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting,
- Car mileage is charged at the rate of 45 pence per mile,
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates.

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 6 April 2010)

² *Ibid* 1

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Bristol office as at the date of this report are as follows

	Standard 1 May 2011 – until further notice Regional
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units

SUMMARY OF OFFICE HOLDERS' TIME COSTS

1 CASE OVERVIEW

- 1.1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case

1.2 Complexity of the case

The main complexity of the case related to the in-specie distribution

1.3 Exceptional responsibilities

There have been no exceptional responsibilities falling on the office holders in this case

1.4 The office holders' effectiveness

The work we carried out as joint liquidators derives from the duties and responsibilities placed on us by the law and by required professional practice. We consider we have carried out our duties diligently and with all reasonable due care and attention

1.5 Nature and value of property dealt with by the office holders'

The only asset in the liquidation was the debtor balance due from the parent undertaking of £927,981

1.6 Anticipated return to members

Preference shareholders received a first and final distribution of £924,514.18 on 5 April 2012 representing a dividend of 95.31 pence in the pound per preference share

1.7 Time costs analysis

An analysis of time costs incurred between 16 February 2012 and 15 February 2013 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type

The time costs analysis provides details of work undertaken by the office holders and their staff following their appointment only

1.8 The views of the members

No views of the members have been received

1.9 Approval of fees

The following written resolution was passed by the members on 16 February 2012, 'That the joint liquidators' remuneration be fixed by reference to the time properly given by them (as liquidators) and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters arising in the winding up subject to the joint liquidators agreeing that their remuneration shall not exceed the sum of £3,000 plus VAT in circumstances where the value of the time given by them and their staff in attending to matters arising in the winding up exceeds this sum.'

1.10 Approval of Expenses and Disbursements

The following written resolution was passed by the members on 16 February 2012, 'That the joint liquidators' be authorised to draw disbursements, including disbursements for services provided by their firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9), in accordance with their firm's policy.'

1 11 Other professionals employed & their costs

No other professionals have been employed to work on this liquidation

2 EXPLANATION OF LIQUIDATORS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

- 2 1 Begbies Traynor (Central) LLP's policy for charging fees and expenses and also the rates charged by the various grades of staff who have worked on the case are also attached

3. SUMMARY OF WORK CARRIED OUT SINCE OUR APPOINTMENT

- 3 1 Since the date of our appointment, the following work has been carried out

- Declaration and payment of a distribution to the preference shareholders
- Obtained tax and VAT clearance for both pre liquidation and post liquidation periods
- Complied with all statutory reporting requirements

STATEMENT OF LIQUIDATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Statutory advertising	London Gazette	201 36	201 36	Nil
Specific Bond	Marsh Limited	210 00	210 00	Nil
Storage of files	Archive Solutions	39 46	39 46	Nil
Companies House searches	Companies House	16 00	16 00	Nil
TOTAL		466.82	466 82	Nil