

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

05714029

Name of Company

Classic Decorators (South Wales) Limited

☒ We

David Hill, 1st Floor North, Anchor Court, Keen Road, Cardiff, CF24 5JW

Peter Richard Dewey, 1st Floor North, Anchor Court, Keen Road, Cardiff, CF24 5JW

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 19/07/2012 to 18/07/2015

Signed

Date 24 AUGUST 2015

Begbies Traynor (Central) LLP
1st Floor North
Anchor Court
Keen Road
Cardiff
CF24 5JW

Ref CL091CVL/DH/PRD/HPI/AIW/AR

WEDNESDAY



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COMPANIES HOUSE

**Classic Decorators (South Wales)
Limited (In Creditors' Voluntary
Liquidation)**

Progress report pursuant to Section 104A of the
Insolvency Act 1986 and Rule 4.49C of the
Insolvency Rules 1986

Period: 19 July 2014 to 18 July 2015

Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and 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"	Classic Decorators (South Wales) Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators pursuant to Section 98 of the Act on 19 July 2012
"the liquidators", "we", "our" and "us"	David Hill of Begbies Traynor (Central) LLP, 1 st Floor North, Anchor Court, Keen Road, Cardiff, CF24 5JW and Peter Richard Dewey of Begbies Traynor (Central) LLP, 1 st Floor North, Anchor Court, Keen Road, Cardiff, CF24 5JW
"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"	<ul style="list-style-type: none"> (i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (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)
"preferential creditor"	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)	None
Company registered number	05714029
Company registered office	1 st Floor North, Anchor Court, Keen Road, Cardiff, CF24 5JW
Former trading address	Cardiff House, Cardiff Road, Vale of Glamorgan, CF63 2AW

3 DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	19 July 2012
Date of liquidators' appointment	19 July 2012
Changes in liquidator (if any)	None

4 PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 19 July 2014 to 18 July 2015

Receipts

Work in Progress

As mentioned in my previous report the remaining balance has had to be written off as irrecoverable

Book Debts

The outstanding debts are unlikely to be recoverable

Retentions

No further realisations are expected

Payments

Administrative Costs

To date administrative costs included statutory advertising £279, specific penalty bond £205, corporation tax £59 35 and statutory documents from Companies House of £1

5 ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (as detailed in the directors' of affairs statement) are as follows

CLASSIC DECORATORS (SOUTH WALES) LIMITED (IN LIQUIDATION)

Secured creditor

There are no secured creditors

Preferential creditors

Preferential claims of employees for arrears of wages, salary and holiday pay were estimated at £34,000. To date not all claims have been formally agreed.

Unsecured creditors

Unsecured creditors were estimated at £974,695. This includes £71,588 owed to Classic Decorators (Holdings) Ltd and £67,859 owed to Classic Decorators (UK) Ltd, both associated companies and estimated employee claims of £360,000.

On the basis of realisations to date we estimate an outcome for each class of the Company's creditors as follows:

Preferential creditors

There are sufficient funds for preferential creditors to be paid in full.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property,
- ☐ 20% of net property thereafter,
- ☐ Up to a maximum amount to be made available of £600,000.

A liquidator will not be required to set aside the prescribed part of net property if

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit, (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

Unsecured creditors

We consider that there may be modest funds for a dividend to be paid to unsecured creditors.

6 REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by a resolution of creditors at the meeting held pursuant to Section 98 of the Act 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 and we are 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 accompanied the Statement of Affairs and other information presented to the meeting of creditors convened pursuant to Section 98 of the Act and which is attached at Appendix 2 of this report

Our time costs for the period from 19 July 2014 to 18 July 2015 amount to £8,200 50 which represents 42 10 hours at an average rate of £197 79 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 19 July 2014 to 18 July 2015
- ☐ Cumulative table of time spend and charge-out value for the period 19 July 2012 to 18 July 2015
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

To 18 July 2015, we have drawn the total sum of £30,000 on account of our remunerations, against total time costs of £34,283 incurred since the date of our appointment. In addition to the costs information disclosed at Appendix 2 for the period of this report, our previous progress report contained details of the time costs we had occurred as at the date of that report

Details of the Category 2 disbursements that have been incurred in accordance with the approval obtained are provided in the narrative summary of time costs incurred which is at Appendix 2

In addition to the table of time spent by us and our staff in attending to matters arising in the liquidation for the period covered by this progress report, a cumulative table of time spent and charge out value for the period from 19 July 2012 to 18 July 2015 and a description of the work undertaken by us and our staff since our appointment contained in (the narrative summary of time costs incurred) are also attached at Appendix 2

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy

7 LIQUIDATORS' EXPENSES

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

8. OTHER RELEVANT INFORMATION

Investigations and reporting on directors conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, as explained in the report circulated at the meeting of creditors convened pursuant to Section 98 of the Act, such report having also been sent to creditors following the meeting, a liquidator is also required to consider the

CLASSIC DECORATORS (SOUTH WALES) LIMITED (IN LIQUIDATION)

conduct of the Company's directors and to make an appropriate submission to the Department for Business Innovation and Skills. We can confirm that we have discharged our duties in these respects.

Investigations carried out to date

We have undertaken an initial assessment of the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect.

Connected party transactions

In accordance with Statement of Insolvency Practice 13, we confirm that the assets were sold prior to our appointment on 27 April 2012, over two months prior to liquidation as shown below -

Date of sale	Asset sold and nature of transaction	Consideration paid	Name of Purchaser	Relationship with the Company
27 April 2012	Motor Vehicles Stock Plant & Equipment	£23,800 00 £5,400 00 £6,525 62	Classic Decorators (Holdings Ltd)	Holding Company

The plant, equipment and stock were sold at book value. The sale price for the vehicles was based on a valuation.

The directors of the Company advised that the assets were sold to assist the Company's cashflow. The sale proceeds were paid into the Company's bank account on 11 May 2012.

9 CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 4.49E of the Rules, 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, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, 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 4.131 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, 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.

10 CONCLUSION

We will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner



David Hill
Joint Liquidator


Dated 5 August 2015

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 19 July 2014 to 18 July 2015

Classic Decorators (South Wales) Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 19/07/2014 To 18/07/2015	From 19/07/2012 To 18/07/2015
	ASSET REALISATIONS		
132,314 17	Work in Progress	NIL	40,213 28
20,020 00	Book Debts	NIL	13,721 39
46,898 50	Retentions	NIL	19,399 14
	Refund	NIL	17 95
	Insurance Refund	NIL	421 10
47,615 77	Cash at Bank	NIL	47,615 77
	Bank Interest Gross	241 04	575 94
	Bank Interest Net of Tax	NIL	103 04
		<u>241 04</u>	<u>122,067 61</u>
	COST OF REALISATIONS		
	Specific Bond	NIL	205 00
	Statement of Affairs Fee	NIL	5,000 00
	Office Holders Fees	15,000 00	30,000 00
	Office Holders Expenses	NIL	1 00
	Corporation Tax	59 35	73 85
	Statutory Advertising	NIL	279 00
		<u>(15,059 35)</u>	<u>(35,558 85)</u>
	PREFERENTIAL CREDITORS		
(34,000 00)	Employees re Arrears/Hol Pay	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(27,042 23)	Trade Creditors	NIL	NIL
(360,000 00)	Employees	NIL	NIL
(71,587 74)	Classic Decorators (Holdings) Ltd	NIL	NIL
(67,859 21)	Classic Decorators (UK) Limited	NIL	NIL
(116,826 80)	HMRC (non VAT)	NIL	NIL
(5,323 70)	Retentions	NIL	NIL
(326,054 93)	HMRC (VAT)	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(100 00)	Deferred Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(761,946.17)</u>		<u>(14,818 31)</u>	<u>86,508 76</u>
	REPRESENTED BY		
	Vat Receivable		12,673 34
	Bank 2 Current		83,508 76
	Vat Payable		(9,673 34)
			<u>86,508 76</u>



 David Hill
 Joint Liquidator

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 19 July 2014 to 18 July 2015
- e. Cumulative table of time spent and charge-out value for the period from 19 July 2012 to 18 July 2015

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £
Statutory advertising	TMP Worldwide	279 00	279 00
Specific penalty bond	AUA Insolvency Risk Services Ltd	205 00	205 00
Statutory Documents	Companies House	1 00	1 00
	Total	485.00	485.00