

# 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

05742781

Name of Company

Floormaster Limited

I ~~am~~  
David Adam Broadbent  
17/25 Scarborough Street  
Hartlepool  
TS24 7DA

the liquidator ~~of~~ of the company attach a copy of my ~~own~~ Progress Report  
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 16/03/2013 to 15/03/2014

Signed



Date

1/5/14

Broadbents Business Recovery Services Limited  
17/25 Scarborough Street  
Hartlepool  
TS24 7DA

Ref F004/DB/MR/DO/LT

SATURDAY



A28 03/05/2014 #291  
COMPANIES HOUSE

**Floormaster Limited**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**

Statement of Affairs		From 16/03/2013 To 15/03/2014	From 16/03/2012 To 15/03/2014
	<b>SECURED ASSETS</b>		
4,000 00	Goodwill	NIL	4,000 00
		NIL	4,000 00
	<b>SECURED CREDITORS</b>		
(69,000 00)	Yorkshire Bank (Debenture created 1/2	NIL	4,000 00
		NIL	(4,000 00)
	<b>ASSET REALISATIONS</b>		
2,000 00	Office Furniture & Equipment	NIL	2,850 00
8,000 00	Motor Vehicles	NIL	8,000 00
500 00	Stock	NIL	500 00
5,076 00	Cash in Hand	NIL	5,076 40
443 00	Book Debts	NIL	600 00
433 00	Work in Progress	NIL	432 73
	Bank Interest Gross	14 69	17 09
		14 69	17,476 22
	<b>COST OF REALISATIONS</b>		
	Preparation of Statement of Affairs	NIL	3,000 00
	Liquidators Fees	3,000 00	5,000 00
	Liquidators Disbursements	37 20	477 18
	Agents Fees	NIL	1,500 00
	Legal Fees	2,480 00	2,480 00
		(5,517 20)	(12,457 18)
	<b>PREFERENTIAL CREDITORS</b>		
(4,972 00)	Employee Arrears/Hol Pay	NIL	NIL
		NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(83,404 00)	Trade & Expense Creditors	NIL	NIL
(44,970 00)	Employees	NIL	NIL
(25,000 00)	Directors	NIL	NIL
(28,035 00)	HM Revenue & Customs (PAYE/NIC)	NIL	NIL
(44,819 00)	HM Revenue & Customs (VAT)	NIL	NIL
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(2 00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(279,750.00)</b>		<b>(5,502 51)</b>	<b>5,019.04</b>
	<b>REPRESENTED BY</b>		
	Vat Receivable		498 98
	Bank 1 Current		4,520 06
			<b>5,019 04</b>

**LIQUIDATOR'S SECOND ANNUAL REPORT  
FOR THE MEMBERS AND CREDITORS OF  
FLOORMASTER LIMITED**

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Amy Johnson Way  
Clifton Moor  
York  
YO30 4AG*

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# **SECOND ANNUAL REPORT FOR THE MEMBERS AND CREDITORS OF FLOORMASTER LIMITED**

- 1 Introduction
- 2 Statutory Information
- 3 Asset Realisations
- 4 Payments
- 5 Prescribed Part
- 6 Investigations
- 7 Creditor Claims & Dividend Prospects
- 8 Conclusion

## *Appendices*

- Liquidator's account of receipts and payments,
- Liquidator's time costs and disbursements
- Statement of Liquidator's expenses

## 1. INTRODUCTION

### *Meeting of Shareholders*

An Extraordinary Meeting of Shareholders was held at 2 30pm on 16 March 2012, and the following resolutions were proposed and passed -

- a) That Floormaster Limited be wound up voluntarily, and
- b) That David Adam Broadbent of Evolution Business Recovery Services Limited, 17-25 Scarborough Street, Hartlepool be appointed as Liquidator

### *Meeting of Creditors*

A Meeting of Creditors was subsequently held at 3 00pm on 16 March 2012, and the following resolutions were proposed and passed -

- a) That David Adam Broadbent of Evolution Business Recovery Services Limited, 17/25 Scarborough Street, Hartlepool be and are hereby appointed Liquidator for the purpose of such winding up
- b) That Evolution Business Recovery Services Limited be remunerated in the sum of £3,000 plus VAT and disbursements, in settlement of their fees for services rendered to the directors in relation to the preparation of the statement of affairs and associated documentation and for convening the general meeting of the company and the meeting of creditors, pursuant to rules 4 38 and 4 62 of the Insolvency Rules 1986 The payment of these fees to be made from the realisation of the company's assets and to be paid in due course
- c) That the Liquidator's remuneration for dealing with matters arising in the liquidation should be calculated by reference to the time costs properly incurred by the Liquidator and his staff and authority is hereby given for the Liquidator to draw the remuneration on this basis

### *Rebrand*

It should be noted that from 1 January 2013 Evolution Business Recovery Services Limited changed its name to Broadbents Business Recovery Services Limited

## 2. STATUTORY INFORMATION

<i>Company Name</i>	Floormaster Limited	
<i>Company Number</i>	0574 2781	
<i>Trading Name</i>	As above	
<i>Former Names</i>	N/A	
<i>Date of Incorporation</i>	14 March 2006	
<i>Nature of Business</i>	Retail and installation of carpets	
<i>Authorised Share Capital</i>	Two Ordinary Shares of £1 each	
<i>Issued and fully paid</i>	Two Ordinary Shares of £1 each	
<i>Shareholder</i>	Julie Deacey Ian Michael Deacey	(One Ordinary Share of £1) (One Ordinary Share of £1)
<i>Directors</i>	Julie Deacey Ian Michael Deacey	(from 14 March 2006 to date) (from 14 March 2006 to date)
<i>Company Secretary</i>	Julie Deacey	
<i>Registered Office</i>	124 Redbrook Road Gawber Barnsley S75 2RA	
<i>Trading Addresses</i>	Unit 5, Claycliffe Business Park Barugh Green Barnsley S75 1JU	
<i>Debenture</i>	Clydesdale Bank PLC t/a Yorkshire Bank Created on 1 February 2007 Registered on 10 February 2007	

### 3. ASSET REALISATIONS

#### *Motor Vehicle*

As outlined in my last Annual Report, the company's motor vehicle has been returned to the finance company, as there was no equity in the agreement

I understand the finance company have realised the vehicle, and subsequently submitted a claim regarding their shortfall (see later)

#### *Goodwill / Chattel Assets*

As outlined in my last Annual Report, my agents (Michael Steel & Co) completed a sale of the company's chattel assets and goodwill to Ian's Classic Carpets Limited (an associated company under the control of the directors) for the sum of £15,350 plus VAT

#### *Cash in Hand*

As outlined in my last Annual Report, I held a balance of £5,076 pending the appointment of a Liquidator

#### *Book Debts*

As outlined in my last Annual Report, I have been able to recover the sum of £600 from the company's debtor ledger

#### *Work-In-Progress*

As outlined in my last Annual Report, I have received the sum of £433 following the completion of unfinished contracts by the purchasing company (Ian's Classic Carpets Limited)

#### *Bank Interest*

Bank interest in the sum of £17 09 has accrued on funds invested over the duration of the case

### 4 PAYMENTS

#### *Statement of Affairs*

As outlined earlier in this report, a resolution was passed at the Meeting of Creditors, in relation to the pre-appointment costs, as follows -

"That Evolution Business Recovery Services Limited be remunerated in the sum of £4,000 plus VAT and disbursements, in settlement of their fees for services rendered to the directors in relation to the preparation of the statement of affairs and associated documentation and for convening the general meeting of the company and the meeting of creditors, pursuant to rules 4 38 and 4 62 of the Insolvency Rules 1986 "

As shown on the attached Receipts & Payments Account, this fee has been paid in full

#### *Liquidator's Remuneration*

A further resolution (outlined earlier in this report) was also passed at the Meeting of Creditors, in relation to the post-appointment costs, as follows -

"That the Liquidator's remuneration for dealing with matters arising in the liquidation should be calculated by reference to the time costs properly incurred by the Liquidator and his staff and authority is hereby given for the Liquidator to draw the remuneration on this basis "

A copy of the original charge-out rates is appended to this report

As required by Statement of Insolvency Practice 9 ("SIP 9"), I attach a schedule detailing my costs incurred on this case, which you will note total £6,495 over 54.5 hours, at an average hourly charge-out rate of £119.17 per hour

You will note from the attached Receipts & Payments Account that I have drawn the sum of £5,000 against these costs (£3,000 of which was within the last twelve months)

Pursuant to Rule 4.49E of the Insolvency Rules 1986 (as amended), 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 I provide further information about my remuneration or expenses which have been detailed in this progress report

Pursuant to Rule 4.131 of the Insolvency Rules 1986 (as amended), 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 eight weeks of receipt of this report, make an Application to Court on the grounds that the remuneration charged or the expenses incurred as set out in this report are excessive or that the basis fixed for our remuneration is inappropriate

#### *Category One Disbursements*

As outlined on the attached schedule, SIP 9 defines "Category One Disbursements" as being expenses directly attributable to the insolvent estate, paid to an independent third party, which are recoverable from the insolvent estate (without further creditor approval)

The following disbursements have been incurred and recovered from the case -

	£
Bordereau	50.00
Statutory Advertising	229.50
Meeting Room Hire	85.00
Storage costs	40.68
Travel & Parking costs	<u>72.00</u>
	£ <u>477.18</u>

#### *Other Professionals*

##### **Michael Steel & Co (Agents)**

As detailed earlier, agents have assisted with the valuation and sale of the company's assets

Their costs to date in this matter total £1,500 plus VAT, and have been paid in full

##### **HLW Keeble Hawson LLP (Legal)**

As detailed later in this report, solicitors have been instructed to provide their advice on certain transactions highlighted following my statutory investigations

Their costs to date in this matter total £2,480 plus VAT, and have been paid in full

Pursuant to R4.49C(5) and R4.49B(1)(f) a statement of the expenses incurred during the period of this progress report is shown at Appendix 3



## 5. PRESCRIBED PART

Section 176A of the Insolvency Act 1986 relates to companies in Liquidation, where the business has created a Floating Charge after 15 September 2003. As outlined above, a Debenture in favour of the Yorkshire Bank PLC was created on 1 February 2007.

Section 176A states that the Liquidator shall make a "prescribed part" of the company's "net property" available for the satisfaction of unsecured debts, and shall not distribute that part to the proprietor of a floating charge, except in so far as it exceeds the amount required for the satisfaction of the unsecured debts.

The "net property" is the amount of its property which would (but for section 176A) be available for satisfaction of claims of holders of debentures secured by, or holders of, any floating charge created by the company.

Should, however, the "net property" be less than the prescribed minimum (£10,000), then the section does not apply.

You will note from the attached schedule that I currently hold a net balance in the sum of £4,520.

Taking into account the preferential creditor claims (in the sum of £2,540), it is estimated that the company's "net property" will be £1,980 subject to further costs and realisations.

As the "net property" is estimated to be less than £10,000, section 176A will therefore not apply in this instance.

## 6. INVESTIGATIONS

A final return has been submitted on the director's conduct and actions prior to my appointment as Liquidator.

I am, however, precluded from divulging the contents of the report to creditors, as it is a confidential document between an office-holder and the Department for Business, Innovation and Skills.

A number of concerns arose following the conclusion of my statutory investigations – having taken legal advice on same, however, it was deemed that no further action was necessary.

## 7. CREDITORS / DIVIDEND PROSPECTS

### *Preferential Creditors*

As outlined in the Directors' Report, the company had preferential creditors totalling £4,972.

To date, I have received one preferential claim from the Redundancy Payments Office (in relation to payments made to former employees) in the sum of £2,540.

It is my intention to agree this claim, and also confirm there are no employees with additional preferential claims – once done so, I will take steps to issue a first and final dividend.

### *Secured Creditors*

As outlined in the Directors' Report, the company had one secured creditor, being Yorkshire Bank PLC who held a Debenture (as security) and were estimated to be owed the sum of £69,000.

Although a claim has not been received from the bank, I have received evidence that they have a claim against the company (in line with the directors' estimate).

As outlined in my last Annual Report, I have made a £4,000 distribution to the bank under the Fixed Charge element of their security (following the sale of the company's Goodwill).

There are, however, insufficient funds to enable a distribution to the bank under their Floating Charge.

### *Non-Preferential Creditors*

As outlined in the Director's Report, the company had unsecured creditors totalling £226 228

Since the date of my appointment, I have received a number of claims from unsecured creditors, as outlined below (shown against the director's original estimates) -

	<i>Estimate</i> £	<i>Claim</i> £
Trade (claims received) (x11)	45,274	37,107
Trade (no claim received) (x24) *	38,130	N/A
Trade (additional claims received) (x2)	-	1,307
Employees / Redundancy Payments Office	44,970	27,214
Directors Loan Account *	25,000	N/A
H M Revenue & Customs (PAYE/NIC)	28,035	38,973
H M Revenue & Customs (VAT)	<u>44,819</u>	<u>63,634</u>
<i>*A claim has yet to be received from these creditors</i>	<u>£226,228</u>	<u>£168,235</u>

In the majority of instances the claims received are in line with (or lower than) the directors' original estimates

I have, however, received claims from three trade creditors that are materially different to the directors' estimates – having examined the claims, it would appear they include invoices that the directors were unaware of at the date of cessation of trading, and no further investigation is therefore required

Additional claims have also been received from two trade creditors that were not included in the directors' original list – the amounts claimed are not, however, material (in comparison to the company's total indebtedness) and no further investigation is therefore required

H M Revenue and Customs have submitted a claim for unpaid VAT, which is materially different from the directors' estimate – having examined same, it appears the directors did not include the VAT owing in the final trading period and did not consider additional surcharges levied (totalling £6,351) – no further investigation is therefore required

H M Revenue and Customs have also submitted a claim for unpaid PAYE/NIC, which is materially different from the directors' estimate – having examined same, it appears that the directors did not include the tax owing in the company's final trading period – no further investigation is therefore required

There are insufficient realisations (after costs) to enable a dividend to be made to unsecured creditors in this matter

## **8. CONCLUSION**

As outlined earlier in this report, there are a number of aspects of this case that I am currently dealing with, which preclude me from finalising same

Once completed, I will convene a Final Meeting of Creditors to conclude this matter and obtain my release as Liquidator

As required under the new regulations, I will circulate a draft Final Report to Creditors (not too dissimilar to this one), and allow a period of eight weeks' time to see whether creditors or shareholders have any objection to the level of remuneration drawn

In the meantime, if any creditor has a query with regard the content of this report they should contact the case manager (Michael Royce) on (01904) 691 553 – please note that, in accordance with the new regulations, there is no longer any requirement to hold an Annual Meeting of Members or Creditors

Signed



**David Adam Broadbent**  
Liquidator

Dated 1 May 2014

**Floormaster Limited  
(In Liquidation)**

**Summary of Receipts & Payments**

RECEIPTS	Statement of Affairs (£)	From 16/03/2012 To 15/03/2013 (£)	From 16/03/2013 To 15/03/2014 (£)	Total (£)
Goodwill	4,000 00	4,000 00	0 00	4,000 00
Office Furniture & Equipment	2,000 00	2,850 00	0 00	2,850 00
Motor Vehicles	8,000 00	8,000 00	0 00	8,000 00
Stock	500 00	500 00	0 00	500 00
Cash in Hand	5,076 00	5,076 40	0 00	5,076 40
Book Debts	443 00	600 00	0 00	600 00
Work in Progress	433 00	432 73	0 00	432 73
Bank Interest Gross		2 40	14 69	17 09
		<b>21,461 53</b>	<b>14 69</b>	<b>21,476 22</b>

**PAYMENTS**

Yorkshire Bank (Debenture created 1/2/07)	(69,000 00)	4,000 00	0 00	4,000 00
Preparation of Statement of Affairs		3,000 00	0 00	3,000 00
Liquidators Fees		2,000 00	3,000 00	5,000 00
Liquidators Disbursements		439 98	37 20	477 18
Agents Fees		1,500 00	0 00	1,500 00
Legal Fees		0 00	2,480 00	2,480 00
		<b>10,939 98</b>	<b>5,517 20</b>	<b>16,457 18</b>

**Net Receipts/(Payments)**

	<b>10,521 55</b>	<b>(5,502 51)</b>	<b>5,019 04</b>
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**MADE UP AS FOLLOWS**

Vat Receivable	1,388 00	(889 02)	498 98
Bank 1 Current	12,203 55	(7,683 49)	4,520 06
	<b>13,591 55</b>	<b>(8,572 51)</b>	<b>5,019.04</b>



David Adam Broadbent  
Liquidator

## Floormaster Limited (In liquidation)

### Schedule of Time Costs (as per SIP 9)

	Partner	Manager	Other Senior Professional	Assistance & Support Staff	Other	Total Hours	Total Cost	Total Cost Average
Administration & Planning	5 50	11 00	0 20	19 60	-	36.30	4,025 00	110 88
Investigations	1 00	2 00	-	2 20	-	5 20	660 00	126 92
Realisation of Assets	0 50	7 00	-	-	-	7 50	1,175 00	156 67
Trading	-	-	-	-	-	-	-	-
Creditors	1 00	1 60	-	2 90	-	5 50	635 00	115 45
<b>Total Hours</b>	<b>8 00</b>	<b>21 60</b>	<b>0 20</b>	<b>24 70</b>	<b>-</b>	<b>54 50</b>	<b>6,495 00</b>	<b>119 17</b>

### Examples of Work

#### *Administration and Planning*

Case Planning  
Administrative set-up  
Appointment notification  
Maintenance of Records  
Statutory Reporting

#### *Investigations*

SIP2 Review  
CDDA Reports  
Investigating Antecedant Transactions

#### *Realisation of Assets*

Identifying, Securing and Insuring Assets  
Retention of Title  
Debt Collection  
Property, Business and Asset Sales

#### *Trading*

Management of Operations  
Accounting for Trading  
On-Going employee issues

#### *Creditors*

Communication with Creditors  
Creditors' Claims (including Employees and other Preferential Creditors)

## STATEMENT OF EXPENSES

Type of Expense	Name of party with whom expense incurred	Amount incurred £	Amount paid £	Balance (to be paid) £
Agents Fees	Michael Steel & Co	1,500 00	1,500 00	Nil
Legal Fees	HLW Keeble Hawson	2,480 00	2,480 00	Nil