

## 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

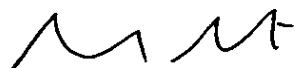
I / ~~We~~

David Adam Broadbent, 11 Clifton Moor Business Village, James Nicolson Link, Clifton Moor, York, YO30 4XG

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 16/03/2015 to 15/03/2016

Signed



Date

12/05/16

Begbies Traynor (Central) LLP  
11 Clifton Moor Business Village  
James Nicolson Link  
Clifton Moor  
York  
YO30 4XG

Ref 83F004/DAB/IG/SA/LT

SATURDAY



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14/05/2016

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COMPANIES HOUSE

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

Statement of Affairs		From 16/03/2015 To 15/03/2016	From 16/03/2012 To 15/03/2016
	<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	NIL	17 09
		NIL	17,476 22
	<b>COST OF REALISATIONS</b>		
	Preparation of Statement of Affairs	NIL	3,000 00
	Liquidators Fees	1,600 00	9,600 00
	Liquidators Disbursements	34 92	542 10
	Agents Fees	NIL	1,500 00
	Legal Fees	NIL	2,480 00
		(1,634 92)	(17,122 10)
	<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>(1,634.92)</b>	<b>354.12</b>
	<b>REPRESENTED BY</b>		
	Vat Receivable		206 99
	Bank 1 Current		147 13
			<b>354.12</b>

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**Floormaster Limited**  
**(in Creditors' Voluntary Liquidation)**

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

Period: 16 March 2015 to 15 March 2016

### **Important Notice**

This Progress Report has been produced solely to comply with my 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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## **Contents**

- ☐ Interpretation
- ☐ Company information
- ☐ Details of appointment of liquidator
- ☐ Progress during the period
- ☐ Estimated outcome for creditors
- ☐ Remuneration and disbursements
- ☐ Liquidator's expenses
- ☐ Assets that remain to be realised
- ☐ Other relevant information
- ☐ Creditors' rights
- ☐ Conclusion
- ☐ Appendices
  - 1 Liquidator's account of receipts and payments
  - 2 Liquidator's time costs and disbursements
  - 3 Statement of Liquidator's expenses

### ***Purchase of Business***

It should be noted that on the 31 March 2015, the business and assets of Broadbents Business Recovery Services Limited (formerly Evolution Business Recovery Services Limited) were purchased by Begbies Traynor

## 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Floormaster Limited (in Creditors Voluntary Liquidation)
"the liquidation"	The appointment of a Liquidator pursuant to Section 98 of the Act on 16 March 2012
"the liquidator", "I", "my" and "me"	David Adam Broadbent of Begbies Traynor (Central) LLP, 11 Clifton Moor Business Village, James Nicolson Link Clifton Moor, York, YO30 4XG
"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"><li>(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and</li><li>(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)</li></ul>
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

## 2. COMPANY INFORMATION

Company registered number	0574 2781
Company registered office	11 Clifton Moor Business Village, James Nicolson Link, Clifton Moor, York, YO30 4XG
Former trading address	Unit 5, Claycliffe Business Park, Barugh Green Barnsley, S75 1JU

## 3. DETAILS OF APPOINTMENT OF LIQUIDATOR

Date winding up commenced	16 March 2012
Date of liquidators' appointment	16 March 2012

## 4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is my abstract of receipts and payments for the period from 16 March 2015 to 15 March 2016

### **Receipts**

#### *Goodwill / Motor Vehicle / Office Equipment / Stock*

As outlined in my previous Progress Reports, the Company's business & assets were sold to an associated company (under the control of the director) for the sum of £15,350 plus VAT

#### *Cash in Hand*

As outlined in my previous Progress Reports, my firm held a balance of £5,076 pending the appointment of a Liquidator

#### *Book Debts*

As outlined in my previous Progress Reports, I have recovered the sum of £600 from the Company's debtor ledger

#### *Work in Progress*

As outlined in my previous Progress Reports, I have received the sum of £433 following the completion of unfinished contracts by the purchasing entity

#### *Bank Interest*

The sum of £17 has accrued on funds invested throughout the duration of the case

### **Payments**

#### *Statement of Affairs fee*

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 £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 "

This fee has been paid in full

#### *Agent's fee (Michael Steel & Co)*

Independent agents have assisted with the valuation and sale of the Company's business & assets

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

*Legal Fees (hlw Keeble Hawson LLP)*

Solicitors provided advice on possible antecedent transactions raised from my statutory investigations

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

## 5. ESTIMATED OUTCOME FOR CREDITORS

*The sums owed to creditors at the date of appointment (as detailed in the directors' Statement of Affairs) together with the dividend prospects, are as follows*

### **Secured creditors**

The Company had one secured creditor (Yorkshire Bank PLC) who were owed the sum of £69,000 secured via a debenture

Although no formal claim has been submitted by the bank, correspondence has been received from them confirming they have a claim against the Company in line with the directors' estimate

I have made a £4,000 distribution to the bank under the Fixed Charge element of their security – no funds are, however, available to enable a distribution to be made under their Floating Charge

### **Preferential creditors**

Preferential claims of employees (for arrears of wages & holiday pay) were estimated at £4,972

I have received claims in the total sum of £2,540

No dividend is available for preferential creditors, as the funds realised have already been distributed, used or allocated for defraying the expenses of the liquidation

### **Unsecured creditors**

Unsecured creditors were estimated at £226,228 and I have received claims in the total sum of £170,774

The majority of claims received are in line with (or not materially higher than) the directors' estimates

Three trade creditors have submitted claims that are materially higher than the directors' estimates – that value of each claim is not material though (compared to the Company's overall indebtedness)

I have also received two (small) addition claims from trade creditors, which were not included in the directors' Estimated Statement of Affairs

H M Revenue & Customs have submitted claims (for unpaid VAT and PAYE/NIC) both of which are materially higher than the directors' estimates – having examined same, it appears the directors did not include the tax owing in the final trading period, and did not consider additional surcharges levied

No dividend is available for unsecured creditors, as the funds realised have already been distributed, used or allocated for defraying the expenses of the liquidation

### **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))

As there the Company's net property is less than the minimum prescribed by the Insolvency Act 1986 (Prescribed Part) Order 2003, this section does not apply in this instance

## **6. REMUNERATION & DISBURSEMENTS**

My 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 me (as liquidator) and the various grades of my staff calculated at the prevailing hourly charge out rates of Broadbents Business Recovery Services Limited in attending to matters arising in the winding up and I am authorised to draw disbursements for services provided by my firm and/or entities within the Begbies Traynor group, in accordance with my 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

My time costs for the period from 16 March 2015 to 15 March 2016 amount to £1,245 which represents 11.9 hours at an average rate of £104.62 per hour

In addition to the table of time spent by us and my 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 16 March 2012 to 15 March 2016 is also attached at Appendix 2

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

- ☐ Broadbents Business Recovery Services Limited's charging policy
- ☐ Table of time spent and charge-out value for the period 16 March 2015 to 15 March 2016
- ☐ Cumulative table of time spent and charge-out value for the period 16 March 2012 to 15 March 2016



I have drawn the total sum of £9,600 on account of my remuneration, against total time costs of £9,935 incurred since the date of my appointment

The following "category one" disbursements have also been incurred and drawn from the case -

	£
Bordereau	50 00
Meeting Room Hire	85 00
Storage costs	105 60
Travel & Parking costs	72 00
Statutory Advertising	<u>229 50</u>
	£ <u>542.10</u>

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2011' 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](http://www.begbies-traynor.com/creditorsguides)

Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy

## 7. LIQUIDATORS' EXPENSES

Other than those detailed in section 6 of this report, no expenses have been incurred during this reporting period

A cumulative statement showing the total expenses incurred since the date of my appointment, is also attached at Appendix 3

## 8. ASSETS THAT REMAIN TO BE REALISED

There are no assets that remain to be realised

## 9. 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 conduct of the Company's directors and to make an appropriate submission to the Department for Business Innovation and Skills

I can confirm that I have discharged my duties in these respects

### Investigations carried out to date

I have undertaken an 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

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 were highlighted following the conclusion of my statutory investigations – having taken legal advice on same, however, it was concluded that no further action was necessary

### Connected party transactions

In accordance with Statement of Insolvency Practice 13, I confirm that the following assets were sold to an associated company under the control of the directors

Date of sale	Asset sold and nature of transaction	Consideration paid and date (£)	Name of Purchaser	Relationship with the Company
19 March 2012	Goodwill & chattel assets	15,350 plus VAT <i>Paid in full by 26 October 2012</i>	Ian's Classic Carpets Limited	An associated company under the control of the directors

The above assets were sold with assistance from independent agents (Michael Steel & Co)

## 10. CREDITORS' RIGHTS

### Right to request further information

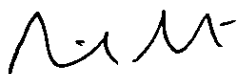
Pursuant to Rule 4.49E of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that I provide further information about my 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 eight 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 my remuneration is inappropriate

## 11. CONCLUSION

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

A handwritten signature in black ink, appearing to read 'D A Broadbent', with a stylized, cursive-like script.

**D A Broadbent**  
**Liquidator**

12 May 2016

# ACCOUNT OF RECEIPTS AND PAYMENTS

Period 16 March 2015 to 15 March 2016

**Floormaster Limited  
(In Liquidation)**

**Summary of Receipts & Payments**

RECEIPTS	Statement of Affairs (£)	From 16/03/2012 To 15/03/2015 (£)	From 16/03/2015 To 15/03/2016 (£)	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		17 09	0 00	17 09
		<b>21,476 22</b>	<b>0.00</b>	<b>21,476 22</b>

**PAYMENTS**

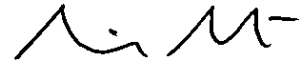
Yorkshire Bank (Debenture created 1/2/07)	(69,000 00)	4,000 00	0 00	4,000 00
Preparation of Statement of Affairs		3,000 00	0 00	3,000 00
Liquidators Fees		8,000 00	1,600 00	9,600 00
Liquidators Disbursements		507 18	34 92	542 10
Agents Fees		1,500 00	0 00	1,500 00
Legal Fees		2,480 00	0 00	2,480 00

	<b>19,487 18</b>	<b>1,634 92</b>	<b>21,122 10</b>
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<b>Net Receipts/(Payments)</b>	<b>1,989 04</b>	<b>(1,634 92)</b>	<b>354 12</b>
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**MADE UP AS FOLLOWS**

Vat Receivable	606.00	326.99	932 99
Bank 1 Current	1,383 04	(1,235 91)	147.13
Vat Control Account	0.00	(726 00)	(726 00)
	<b>1,989 04</b>	<b>(1,634 92)</b>	<b>354 12</b>



David Adam Broadbent  
Liquidator

## TIME COSTS AND DISBURSEMENTS

- a Broadbents Business Recovery Services Limited's charging policy,
- b Table of time spent and charge-out value for the period from 16 March 2015 to 15 March 2016,
- c Cumulative table of time spent and charge-out value for the period from 16 March 2012 to 15 March 2016

## BROADBENTS BUSINESS RECOVERY SERVICES LIMITED

### CHARGE OUT RATES AND DISBURSEMENTS

#### Charge Out Rates

It is proposed that the following charge out rates will apply -

	<u>£ / hr</u>
Director	250
Associate Director	200
Senior Manager	150
Case Manager	100
Administrator	50
Support Staff	50

#### Category 1 Disbursements

Statement of Insolvency Practice 9 defines 'Category 1 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)

Some examples are -

- *Statutory Searches*, from Companies House or the Land Registry,
- *Travel & Subsistence*, incurred by staff members, and
- *Statutory Advertising*, through the London Gazette or other publication

#### Category 2 Disbursements

Statement of Insolvency Practice 9 defines "Category 2 Disbursements" as being expenditure incidental to the administration of the insolvent case, which includes an element of shared or allocated costs including payments to the Insolvency Practitioner's firm or connected parties

It is no longer the policy of this firm to charge Category 2 Disbursements for instructions received from 1 March 2012

Staff Grade	Partner	Director	Sr Mgr	Mngr	Asst Mgr	Sr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning			0.0							0.0	135.00	150.00
Administration			1.7				1.8	0.4	0.8	4.6	400.00	86.96
Total for General Case Administration and Planning			2.6				1.8	0.4	0.9	5.5	535.00	97.27
Compliance with the Insolvency Act, Rules and best practice												0.00
Appointment												0.00
Banking and Bonding			0.4				0.7		0.5	1.6	120.00	75.00
Case Closure												0.00
Statutory reporting and statement of affairs	1.0		1.5				1.8			4.3	565.00	131.40
Total for Compliance with the Insolvency Act, Rules and best practice	1.0		1.8				2.5		0.5	5.9	645.00	118.10
Investigations												0.00
GDPA and investigations												0.00
Total for Investigations												0.00
Realisation of assets												0.00
Debt collection												0.00
Property business and asset sales												0.00
Retention of Title/Third party assets												0.00
Total for Realisation of assets												0.00
Trading												0.00
Trading												0.00
Total for Trading												0.00
Dealing with all creditors claims (including employees) correspondence and distributions												0.00
Secured												0.00
Others							0.5			0.5	25.00	50.00
Creditors committee												0.00
Total for Dealing with all creditors claims (including employees) correspondence and distributions							0.5			0.5	25.00	50.00
Other matters which includes meetings tax, litigation pensions and travel												0.00
Meetings												0.00
Other												0.00
Tax												0.00
Litigation												0.00
Total for Other matters												0.00
Total hours by staff grade	1.0		4.5				4.6	0.4	1.4	11.9		
Total time cost by staff grade	250.00		675.00				230.00	20.00	70.00		1,245.00	
Average hourly rate £	250.00	0.00	150.00	0.00	0.00	0.00	50.00	50.00	50.00			104.62
Total fees drawn to date £											9,600.00	



Staff Grade	Partner	Director	Sr Mgr	Mngr	Asst Mgr	Sr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning			0.9							0.9	135.00	150.00
Administration		8.8	19.8	0.2			28.9	0.4	0.9	57.0	6,000.00	115.79
Total for General Case Administration and Planning		8.8	20.7	0.2			28.9	0.4	0.9	57.8	6,735.00	116.32
Compliance with the Insolvency Act Rules and best practice												0.00
Appointment												0.00
Banking and Bonding			0.4				1.1		0.5	2.0	140.00	70.00
Case Closure												0.00
Statutory reporting and statement of affairs	1.0	1.0	1.5				1.8			5.3	815.00	153.77
Total for Compliance with the Insolvency Act Rules and best practice	1.0	1.0	1.5				2.9		0.5	7.3	935.00	130.82
GDPA and Investigations		1.0	2.0				2.2			5.2	660.00	126.92
Total for Investigations		1.0	2.0				2.2			5.2	660.00	126.92
Realisation of assets												0.00
Debt collection												0.00
Property business and asset sales		0.5	7.0							7.5	1,175.00	156.67
Retention of Title/Third party assets												0.00
Total for Realisation of assets		0.5	7.0							7.5	1,175.00	156.67
Trading												0.00
Total for Trading												0.00
Dealing with all creditors claims (including employees), correspondence and distributions			0.5							0.5	75.00	150.00
Others			1.1				3.4			4.5	335.00	74.44
Creditors committee												0.00
Total for Dealing with all creditors claims (including employees) correspondence and distributions			1.6				3.4			5.0	410.00	82.00
Meetings												0.00
Other												0.00
Tax												0.00
Litigation												0.00
Total for Other matters												0.00
Total hours by staff grade	1.0	11.3	33.2	0.2			35.4	0.4	1.4	82.9		
Total time cost by staff grade	250.00	2,825.00	4,380.00	20.00			1,770.00	20.00	70.00		9,935.00	
Average hourly rate £	250.00	250.00	130.00	100.00	0.00	0.00	50.00	50.00	50.00			116.84
Total fees drawn to date £											9,600.00	

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## STATEMENT OF LIQUIDATORS EXPENSES

Period 16 March 2015 to 15 March 2016

*No expenses have been incurred during this reporting period*

## CUMULATIVE STATEMENT OF LIQUIDATORS EXPENSES

Period 16 March 2012 to 15 March 2016

Type of expense	Name of party with whom expense incurred	Amount incurred £
Agent's fee	Michael Steel & Co	1,500
Legal fees	hlw Keeble Hawson LLP	2,480