

# 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

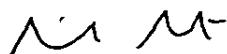
I / ~~We~~

David Adam Broadbent, 17/25 Scarborough Street, Hartlepool, TS24 7DA

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 16/03/2012 to 15/03/2015

Signed



Date

11 / 05 / 15

Begbies Traynor (Central) LLP  
11 Clifton Moor Business Village  
James Nicolson Link  
Clifton Moor  
York  
Y030 4XG

Ref 83F004/DAB/IXG/VXH/LXT

THURSDAY



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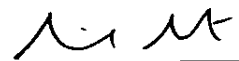
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COMPANIES HOUSE

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

<b>Statement of Affairs</b>		<b>From 16/03/2012 To 15/03/2015</b>
4,000 00	<b>SECURED ASSETS</b> Goodwill	4,000 00 4,000 00
(69,000 00)	<b>SECURED CREDITORS</b> Yorkshire Bank (Debenture created 1/2)	4,000 00 (4,000 00)
2,000 00	<b>ASSET REALISATIONS</b> Office Furniture & Equipment	2,850 00
8,000 00	Motor Vehicles	8,000 00
500 00	Stock	500 00
5,076 00	Cash in Hand	5,076 40
443 00	Book Debts	600 00
433 00	Work in Progress	432 73
	Bank Interest Gross	17 09
		17,476 22
	<b>COST OF REALISATIONS</b> Preparation of Statement of Affairs	3,000 00
	Liquidators Fees	8,000 00
	Liquidators Disbursements	507 18
	Agents Fees	1,500 00
	Legal Fees	2,480 00
		(15,487 18)
(4,972 00)	<b>PREFERENTIAL CREDITORS</b> Employee Arrears/Hol Pay	NIL NIL
(83,404 00)	<b>UNSECURED CREDITORS</b> Trade & Expense Creditors	NIL
(44,970 00)	Employees	NIL
(25,000 00)	Directors	NIL
(28,035 00)	HM Revenue & Customs (PAYE/NIC)	NIL
(44,819 00)	HM Revenue & Customs (VAT)	NIL NIL
(2 00)	<b>DISTRIBUTIONS</b> Ordinary Shareholders	NIL NIL
<b>(279,750 00)</b>		<b>1,989 04</b>
	<b>REPRESENTED BY</b>	
	Vat Receivable	606 00
	Bank 1 Current	1,383 04
		<b>1,989 04</b>



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David Adam Broadbent  
Liquidator

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

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**PROGRESS 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 and Dividend Prospects
- 8 Conclusion

*Appendices*

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

### *Purchase of Business*

It should also 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

## 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 previous Progress Report, the company's motor vehicle has been returned to the finance company, as there was no equity in the agreement

The finance company have sold the vehicle, and subsequently submitted a claim regarding their shortfall (see later)

#### *Goodwill / Chattel Assets*

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

These funds were transferred into the case account shortly after the Meeting of Creditors

#### *Book Debts*

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

#### *Work-In-Progress*

As outlined in my previous Progress 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 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 £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



### *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 £9,335 over 74.3 hours, at an average hourly charge-out rate of £125.64 per hour

I have drawn the sum of £8,000 against these costs

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 the 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
Meeting Room Hire	85.00
Storage costs	70.68
Travel & Parking costs	72.00
Statutory Advertising	<u>229.50</u>
	£ <u>507.18</u>

### *Other Professionals*

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

Agents have assisted with the valuation and sale of the company's assets

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

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

Solicitors have been provided advice on certain transactions highlighted following my statutory investigations

Their costs in this matter total £2,480 plus VAT which 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.

There is no "net property" in this instance, and section 176A will not therefore apply.

## 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. CREDITOR CLAIMS AND 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.

There is no prospect of a dividend to preferential creditors in this matter.

### *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 Progress 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>

You will note from the above that the majority of claims received from creditors are in line with (or not materially different to) the director's estimates

I have, however, received additional claims from two trade creditors that were not included in the directors Statement of Affairs – both claims are not material though (compared to the company's total indebtedness) and no further action is therefore required

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

H M Revenue and Customs have also submitted a claim for unpaid PAYE/NIC, which is materially higher than 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 action is therefore required

There is no prospect of a dividend to unsecured creditors in this matter

### **8. CONCLUSION**

I now consider all aspects have been completed, and will shortly take steps to convene Final Meetings of Members & Creditors, to obtain my release as Liquidator

In the meantime, should any creditor wish to discuss the contents of this report (or any other aspects of the case generally) please would they contact Ian Gostellow

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 12 May 2015

**Floormaster Limited  
(In Liquidation)**

**Summary of Receipts & Payments**

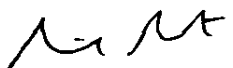
RECEIPTS	Statement of Affairs (£)	From 16/03/2012 To 15/03/2014 (£)	From 16/03/2014 To 15/03/2015 (£)	Total (£)
Goodwill	4,000 00	4,000 00	0 00	4,000 00
Office Furniture & Equipment	2,000 00	2,850 00	0 00	2,850 00
Motor Vehicles	8,000 00	8,000 00	0 00	8,000 00
Stock	500 00	500 00	0 00	500 00
Cash in 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		5,000 00	3,000 00	8,000 00
Liquidators Disbursements		477 18	30 00	507 18
Agents Fees		1,500 00	0 00	1,500 00
Legal Fees		2,480 00	0 00	2,480 00
		<b>16,457 18</b>	<b>3,030 00</b>	<b>19,487 18</b>
<b>Net Receipts/(Payments)</b>		<b>5,019 04</b>	<b>(3,030 00)</b>	<b>1,989 04</b>

**MADE UP AS FOLLOWS**

Vat Receivable	498 98	107 02	606 00
Bank 1 Current	4,520 06	(3,137 02)	1,383 04
	<b>5,019 04</b>	<b>(3,030 00)</b>	<b>1,989 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	10 30	19 90	0 20	25 70	-	56 10	6,865 00	122 37
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>12 80</b>	<b>30 50</b>	<b>0 20</b>	<b>30 80</b>	<b>-</b>	<b>74 30</b>	<b>9,335 00</b>	<b>125 64</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 Antecedent 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

## 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