

Liquidator's Progress Report

Pursuant to Sections 92A, 104A and 192 of the
Insolvency Act 1986

S.192

To the Registrar of Companies

Company Number

06363986

(a) Insert full name of
company

Name of Company

Furniture Contract Services
(Midlands)

Limited

(b) Insert full name(s)
and address(es)

I, Jonathan Lord
Bridgestones Limited
125-127 Union Street
Oldham

OL1 1TE

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

The Progress Report covers the period from 19th June 2012
to 18th June 2013

Signed



Date

2/7/13

Presenter's name,
address and
reference
(if any)

Jonathan Lord
Bridgestones Ltd
125-127 Union Street
Oldham
OL1 1TE

JGL/KAL/12801/20

THURSDAY



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22/08/2013

#47

COMPANIES HOUSE

PROGRESS REPORT

under Section 192 of the Insolvency Act 1986

Name of Company	Furniture Contract Services (Midlands) Ltd
Company Registered Number	06363986
State whether members' or Creditors' voluntary winding up	Creditor's Voluntary Liquidation
Date of commencement of winding up	19/06/2012
Date to which this statement is Brought down	18/06/2013
Name and Address of Liquidator	Jonathan Lord Bridgestones Limited 125/127 Union Street Oldham OL1 1TE

LIQUIDATOR'S STATEMENT OF RECEIPTS and PAYMENTS

Realisations			
Date	Of whom received	Nature of assets realised	Amount
		Brought forward	£0.00
19/06/12	HM Revenue and Customs	Tax refund	1,465 59
21/09/12	HM Revenue and Customs	VAT Refund	213 95
05/10/12	Lloyds TSB Bank	Cash at Bank	14 00
05/12/12	HM Revenue and Customs	VAT Refund	44 31
05/04/13	HM Revenue and Customs	VAT Refund	9 72
30/04/13	Natwest Bank	Bank Interest Net of Tax	0 01
All figures include VAT where applicable		Carried forward	£1,747.58

Disbursements			
Date	To whom paid	Nature of disbursements	Amount
		Brought forward	£0.00
26/06/12	Bridgestones Ltd	Recharge Room Hire	100 00
05/07/12	TMP (UK) Ltd	Public Notices	83 70
11/07/12	AUA Insolvency Risk Services	Specific Bond	30 00
13/07/12	Bridgestones Ltd	Liquidators Remuneration	1,200 00
25/09/12	Bridgestones Ltd	Liquidators Remuneration	265 84
21/12/12	Bridgestones Ltd	Liquidators Remuneration	13 49
18/01/13	Bridgestones Ltd	Liquidators Remuneration	44 82
All figures include VAT where applicable		Carried forward	£1,737.85

ANALYSIS OF BALANCE

	£
Total Realisations	1,747 58
Total Disbursements	1,737 85
Balance	9 73

The Balance is made up as follows.

	£
Balance at Bank	9 73
Balance at Insolvency Service	0 00
Balance as shown above	9 73

The amount of the estimated assets and liabilities at the date of the commencement of the winding up

	£
Assets (after deducting amounts charged to secured creditors including the holders of floating charges)	594
Liabilities – Fixed charge creditors	0
Floating charge holders	0
Preferential & Unsecured creditors	108,702

The total amount of the capital paid up at the date of the commencement of the winding up

Paid up in cash	2
Issued as paid up otherwise than for cash	0

The general description and estimated value of any outstanding assets.

None

Why the winding up cannot yet be concluded:

Closure Pending

The period within which the winding up is expected to be completed:

6-9 Months

FURNITURE CONTRACT SERVICES (MIDLANDS) LIMITED – IN LIQUIDATION

**PROGRESS REPORT AND ACCOUNT OF THE LIQUIDATOR PURSUANT TO
SECTION 104A OF THE INSOLVENCY ACT 1986**

PERIOD 19TH JUNE 2012 TO 18TH JUNE 2013

I write following my appointment as Liquidator of the above Company on 19th June 2012

It is now 1 year since my appointment in this matter, and I am therefore writing to all members and creditors in accordance with Section 104A of The Insolvency Act 1986, to advise you of my dealings in the liquidation and to lay before you an account of my receipts and payments

I enclose for your information a copy of my receipts and payments account for the period ended 18th June 2013. The receipts and payments account is self-explanatory and there is a balance in hand of £9 73

As regards to specific matters within the course of my appointment, I comment as follows

Background Information

Company Number	06363986
Director(s)	Stephen James Jay Mike Bailey (resigned 23/02/2011) Kevin Tobin (resigned 23/02/2011)
Nature of Business	Furniture
Trading Address	Unit 1 Waterside Business Park, Brettell Lane, Brierley Hill, DY5 3LH
Current Registered Office	125 / 127 Union Street, Oldham OL1 1TE
Liquidator	Jonathan Guy Lord
Liquidators Address	125 / 127 Union Street, Oldham OL1 1TE
Date of Instruction	17 th May 2012
Date of Appointment	19 th June 2012

Assets – Details Of Realisations To Date, And Any Assets That Remain To Be Realised

The following assets were listed on the Company's statement of affairs, which was drawn up to the date of liquidation. I have made comments in relation to the progress made in collection of each asset

Cash at Bank – Statement of Affairs value £594 00

The statement of affairs showed that the Company had cash at bank of £594 00. Following the Liquidator's appointment the bank were written to asking them to close the account and forward the surplus funds. The account only had £14 00 in when the bank account was closed.

Fixtures & Fittings – Statement of Affairs value £Nil

The Company had a minimal amount of fixtures and fittings tied into the premises that it has now vacated therefore no realisations have been made.

Tax Refund

The Company has received tax refund of £1,465 59

Motor Vehicle

Although not listed on the Company's statement of affairs, I have received confirmation from Shire Leasing that the Company had a vehicle that was on hire purchase and not on lease. The Director is currently disputing this, saying that it is not in the name of the Company. This matter is still being investigated.

Prescribed Part

There are provisions of the insolvency legislation that require a Liquidator, to set aside a percentage of a company's assets, for the benefit of the unsecured creditors in cases where the company gave a qualifying floating charge over its assets to a lender on, or after, 15 September 2003. This is known as the prescribed part of the net property. A company's net property is that which is left after paying the preferential creditors, but before paying the lender who holds a floating charge.

A Liquidator has to set aside

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property up to a maximum of £600,000

There is no qualifying floating charge in this case so the prescribed part provisions do not apply.

Bank Interest, Net of Tax

Funds received by the Liquidator are lodged in an interest bearing account in the Company's name. Interest credited to this account becomes a receipt in the Liquidation. A sum of £0 01 has been received in this regard.

VAT Receipts

The VAT aspect of VAT rated expenses incurred in the running of the Liquidation is reclaimable as a VAT Refund. If money is available in the estate account to pay these expenses then the subsequent VAT refund is a receipt of the Liquidation. A sum of £267 98 has been received in this regard. The VAT refund represents expenses incurred after the Company entered Liquidation, and bears no relation to any claim the H M Revenue and Customs have lodged.

Duties and Investigations

A description of the routine work undertaken in the liquidation to date is as follows:

Administration and Planning

- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Preparing documentation required
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details
- Review and storage

- Case bordereau
- Case planning and administration
- Preparing reports to members and creditors
- Convening and holding meetings of members and creditors

Creditors

- Dealing with creditor correspondence and telephone conversations
- Preparing reports to creditors
- Maintaining creditor information
- Reviewing and adjudicating on proofs of debt received from creditors
- Dealing with employee's claims from the redundancy payments fund, and other enquiries generated from employees requirements
- Generating P45, P35 and P60 Forms or dealing with the lack of information available to produce these documents

Investigations

- Review and storage of books and records
- Preparing a return pursuant to the Company Directors Disqualification Act
- Conducting investigations into the affairs of the Company
- Reviewing books and records to identify any transactions or actions a Liquidator may take against a third party in order to recover funds for the benefit of creditors
- Reviewing books and records and accounts to ensure that all assets have been disclosed, and obtaining explanations for any discrepancies revealed

Realisation of Assets

- Corresponding with debtors and, if appropriate, collection agents, and attempting to collect outstanding book debts
- Liaising with the Company's bank regarding the closure of the account
- Investigating whether additional recoveries could be made resulting in potential realisations from the sale of assets prior to the Liquidator's appointment
- Liaising with valuation and disposal agents to dispose of physical and intellectual property assets

Cashiering

- Maintaining and managing the Liquidator's cashbook and bank account
- Ensuring statutory lodgements and tax reporting obligations are met

I am continuing to investigate certain transactions undertaken by the Company in the period leading up to liquidation. This may or may not lead to further realisations into the estate.

As well as realising assets and investigating the affairs of the Company, my other duties as Liquidator include the adjudication and admission of creditors claims, assisting employees with pursuing claims from the Redundancy Payment Fund, where appropriate, and receiving and answering queries from creditors and interested parties.

In view of the low prospects of a repayment to creditors in this matter, and in order to reduce costs, I do not propose to spend time formally agreeing claims. I will hold claims, and I will only adjudicate on their validity if it becomes likely that a dividend will be paid.

I have dealt with investigations into the Company's practices and the reason behind the Company's failure

I have undertaken a preliminary review of the Company's financial records and minutes for the 6 months prior to liquidation to identify any unusual or exceptional transactions

I have compared the information within the statement of affairs with the last accounts produced by the Company to ascertain whether all significant assets can be identified and material movements in asset values can be explained

I have undertaken work compulsory to my position, which includes submissions of returns to HM Revenue & Customs (where relevant), Companies House and specific penalty bonding. This is not an exhaustive list of my duties

I have undertaken an investigation into the affairs of the Company and the conduct of the Directors. In accordance with my statutory duty I have submitted a Conduct Report to the Insolvency Services of the Department of Trade and Industry pursuant to the Company Directors Disqualification Act 1986 regarding the director. This report is confidential so I cannot disclose its content

Outcome of investigation

My investigations have not revealed any further actions that can be taken to recover assets or funds to assist creditors in recovering their losses apart from what has already been detailed above

Progress Of Liquidation

Since my appointment I have realised the assets detailed above, and carried out the duties and investigations listed above. I have attached to this report a copy of my receipts and payments account for the period since my appointment

Liquidation Income and Expenditure

Below is an explanation of the various headings shown on the attached receipts and payments account

Receipts

Funds have been received into the liquidation account have already been explained above

Payments

Payments have been made from the liquidation account, as detailed below

Specific Bond

This is an insurance policy taken out by the insolvency practitioner. This policy covers the value of the assets within the liquidation against possible theft by the insolvency practitioner responsible. It is required by law to be taken out in any case where there are assets and is for the benefit of the creditors

Public Notices

The liquidation must be advertised at various times in The London Gazette by law
These entries represent the costs associated with placing the advertisements

Liquidator's Remuneration

At the first creditors meeting held on 19th June 2012 under Section 98 of the Insolvency Act 1986 a resolution was passed stating

- That the Liquidator be allowed to draw his remuneration on a time cost basis out of funds that are realised

For the information of the creditors, the total time costs to date relating to work performed by myself and my staff in administering to the liquidation is £5,497 00, which equates to 26 50 hours charged at an average rate of £207 43 per hour A schedule of my time costs incurred to date is attached

I have drawn remuneration of £1,270 12 + VAT

Room Hire

As the creditors meeting was held off site a payment of £100 was made to the Holiday Inn Express Walsall

Liquidator's Outlays

Expenditure relating to the administration of the estate which is payable to a third party is recoverable from the estate without creditor consent

If funds were available, costs such as these have been paid via the Company's estate If funds were not available, then my firm has paid these costs, with a view to reimbursement, should estate funds be realised

Third party assistance has been sought on the basis that the advisors have the relevant experience and qualifications to deal with matters that are beyond my realm of expertise

Liquidator's Disbursements

At the first creditors meeting held on 19th June 2012 under Section 98 of the Insolvency Act 1986 a resolution was passed stating

- The Liquidator will draw disbursements relating to work carried out These fees will cover all category 2 disbursements as classified in the "Creditors Guide to Insolvency Practitioner's Fees" and will be based on the following charges

Photocopying	15p per copy
Box Storage	£2 50 per month
Printed Paper	15p per sheet
Copy Paper	10p per sheet
Mileage	10p – 40p per mile
Room Hire	£60 per half day

I have not drawn any category 2 disbursements

Basis of Remuneration

In accordance with Rule 4 127, the Liquidator's remuneration has been fixed by reference to the time properly given by the Liquidator and his staff in attending to matters arising in the winding up

Preparation of the Statement of Affairs

At the meeting of creditors, held on 19th June 2012 under Section 98 of the Insolvency Act 1986, it was authorised that Bridgestones be paid £6,000 + VAT plus disbursements, for their assistance in the preparation of the Statement of Affairs and convening of the meeting, in accordance with Rules 4 38 and 4 62 of the Insolvency Rules 1986

A third party paid for this amount

Remaining Balance

An amount of £9 73 remains in the estate. It is not intended to make a distribution of these funds to creditors at this time. It is my intention to draw this remaining balance in the near future to defray my outstanding time costs and other expenses associated with the closure of the case.

Dividend Prospects

Unsecured claims totalling £233,321 have been received, compared to the Statement of Affairs figure of £108,702

This variation is the result of a number of creditors, originally listed on the estimated statement of affairs, having submitted large proof of claims in this regard, subsequent to the creditor's meeting. The Insolvency Service have also submitted a claim in excess of £55,000 for the monies paid out to the ex employees.

Due to lack of realisations no dividend is due to any class of creditors.

Summary

The liquidation will remain open until the matter regarding the motor vehicle has been resolved, which I anticipate will be concluded in the next twelve months. When investigations are concluded a final meeting of creditors will be convened to seek the release of the Liquidator in this matter.

If these matters are not resolved within the next 12 months, a further annual progress report will be issued.

Creditor's Rights To Object To The Content Of This Report Under the Insolvency Act 1986 and The Insolvency Rules 1986 (As Amended)

In accordance with Rule 4 49E of the Insolvency Rules, within 21 Days of receipt of this report

- 1 A secured creditor
or
- 2 An unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question)

or with the permission of the Court upon an application made within 21 days

1 Any unsecured creditor

is allowed to make a request in writing to the Liquidator for further information about the remuneration or expenses set out in a progress report in accordance with rule 4 49C

The Liquidator must then comply with the request by providing the information requested, or respond explaining that so far as the Liquidator considers

- 1 The time or cost of preparation of the information would be excessive
or
- 2 Disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person
or
- 3 The Liquidator is subject to an obligation of confidentiality in respect of the information

giving reasons for not providing all the information

Also any secured creditor or unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more order as set out below

Application may be made on the grounds that –

- 1 The remuneration charged by the Liquidator
or
- 2 The basis fixed for the Liquidator's remuneration under Rule 4 127
or
- 3 Expenses incurred by the Liquidator

is or are, in all the circumstances, excessive or, inappropriate

The application must be made within 8 weeks of receiving this report

For further details refer to the Insolvency Act 1986 and The Insolvency Rules 1986 (as amended)

If you wish to raise any questions upon the contents of this report, then please feel free to attend the meetings, or alternatively, contact me at the above address

If you require any further information, please do not hesitate to contact Ian Dronsfield of this office



**Jonathan Lord – MIPA
Liquidator
Furniture Contract Services (Midlands) Limited**

Bridgestones Limited

Furniture Contract Services (Midlands) Limited in Creditor's Voluntary Liquidation

Liquidators' Account of Receipts and Payments

For the Period 19 June 2012 to 18 June 2013

As per Statement of Affairs	Year 1 19/6/2012 To 18/6/2013		
		Receipts	£
		VAT Refund	
594 00	14 00	Cash at Bank	
	0 01	Bank Interest Net of Tax	
	1,465 59	Tax Refund	
	267 98	VAT Receipts	
594 00	1,747 58	Total Receipts	
		Payments	£
	30 00	Specific Bond	
	69 75	Public Notices	
	1,270 12	Liquidators Remuneration	
	100 00	Room Hire	
	267 98	VAT Payments	
594 00	1,737 85	Total Payments	
	9 73	Net Receipts	
		Balance c/f	
Ref 9004	9 73	Balance Remaining	
TOTALS			

Furniture Contract Services (Midlands) Limited in Creditor's Voluntary Liquidation

No

Analysis of Time Costs for the Period from 19 June 2012 to 18 June 2013

Classification of work function	Hours								Average Hourly Rate (£)
	Insolvency Practitioner	Director	Senior Manager	Manager	Case Administrator	Cashiering	Support Staff	Total Hours	Time Costs (£)
Administration and Planning	4 00	0 00	9 30	0 00	0 00	0 20	0 40	13 90	3,182 00
Realisation of Assets	0 00	0 00	1 50	0 00	0 00	0 00	0 00	1 50	285 00
Creditors	1 50	0 00	2 00	0 00	0 00	0 00	0 00	3 50	890 00
Investigation	0 00	0 00	4 40	0 00	0 00	3 20	0 00	7 60	1,140 00
Total Hours	5 50	0 00	17 20	0 00	0 00	3 40	0 40	26 50	5,497 00
Total Fees Claimed (£)	1,870 00	0 00	3,268 00	0 00	0 00	323 00	36 00		

Hourly Rate Range	From	To
Insolvency Practitioner	340 00	340 00
Director	0 00	0 00
Senior Manager	190 00	190 00
Manager	0 00	0 00
Case Administrator	0 00	0 00
Cashier	95 00	95 00
Assistants & Support Staff	90 00	90 00