

## 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

06378432

Name of Company

06378432 Ltd (formerly known as Furniture Origins (UK) Ltd)

I / We

Lisa Jane Hogg, The Manor House, 260 Ecclesall Road South, Sheffield, S11 9PS

Gemma Louise Roberts, The Manor House, 260 Ecclesall Road South, Sheffield, S11 9PS

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 22/09/2015 to 21/09/2016

Signed



Date

21.11.16

Wilson Field Limited  
The Manor House  
260 Ecclesall Road South  
Sheffield  
S11 9PS

Ref 063701C/LJH/GLR/RW

COMPANIES HOUSE

WEDNESDAY



\*A5KCF87D\*

A12

23/11/2016

#218

**06378432 Ltd (formerly known as Furniture Origins (UK) Ltd)**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs		From 22/09/2015 To 21/09/2016
<b>ASSET REALISATIONS</b>		
NIL	Furniture & Equipment	NIL
NIL	Stock	NIL
Uncertain	Trade Debtors	3,141 35
Uncertain	Cash at Bank	6,349 88
	Bank Interest Gross	1 25
	Bank Interest Net of Tax	NIL
		<u>9,492 48</u>
<b>COST OF REALISATIONS</b>		
	Specific Bond	24 00
	Liquidators Fees	7,523 33
	Document Upload Fees	150 00
	Postage, stationery, photocopying	200 00
	Re-Direction of Mail	320 00
	Statutory Advertising	204 00
		<u>(8,421 33)</u>
<b>UNSECURED CREDITORS</b>		
(147,957 00)	Trade & Expense Creditors	NIL
	DSS	NIL
(3,150,885 77)	Connected Company Creditors	NIL
		<u>NIL</u>
<b>DISTRIBUTIONS</b>		
(1 00)	Ordinary Shareholders	NIL
		<u>NIL</u>
<u>(3,298,843 77)</u>		<u><u>1,071.15</u></u>
<b>REPRESENTED BY</b>		
	Bank 1 Current	10 35
	Vat Control Account	1,060 80
		<u><u>1,071 15</u></u>



Lisa Jane Hogg  
Joint Liquidator

# **Joint Liquidators' Annual Progress Report to Creditors & Members**

**06378432 Ltd (formerly known as Furniture Origins (UK)  
Ltd) - In Liquidation ("the Company")**

**31 October 2016**

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## **APPENDICES**

- A** Receipts and payments account ("R&P") for the period 22 September 2015 to 21 September 2016
- B** Time analysis for the period 22 September 2015 to 21 September 2016
- C** Additional information in relation to Joint Liquidators' fees, expenses & disbursements

## **1 Introduction and statutory information**

- 1 1 I, Lisa Jane Hogg, together with my colleague Gemma Louise Roberts, of Wilson Field Limited, The Manor House, 260 Ecclesall Road South, Sheffield, S11 9PS, was appointed as Joint Liquidator of 06378432 Ltd (formerly known as Furniture Origins (UK) Ltd) (the **Company**) on 22 September 2015. This progress report covers the period from 22 September 2015 to 21 September 2016 (**the Period**) and should be read in conjunction with any previous progress reports which have been issued.
- 1 2 The principal trading address of the Company was Somerset House, Temple Street, Birmingham B2 5DJ.
- 1 3 The registered office of the Company has been changed to Wilson Field Limited, The Manor House, 260 Ecclesall Road South, Sheffield S11 9PS.

## **2 Progress of the Liquidation**

- 2 1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period.
- 2 2 At appendix A is my R&P for the Period.
- 2 3 A detailed narrative of work carried out during the reporting period is provided below.
- 2 4 Attached at appendix B is a time analysis outlining the time spent by the Liquidators and their staff during the period of this report.
- 2 5 Further information about the basis of remuneration agreed in this case and the Liquidators' fees can be found in section 5 of this report.

A large proportion of time spent on this case has been spent on administrative duties as detailed below.

The Joint Liquidators have also spent a proportion of time on communicating with creditors which has included correspondence being sent out to creditors and the Joint Liquidators reviewing and confirming claims received.

The Joint Liquidators also have a duty to investigate the conduct of the Company and its' directors on which a large proportion of time has been apportioned to.

### **Administration**

- 2 6 The liquidators must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. This work includes dealing with the Company's creditors and employees together with administrative tasks associated with the appointment, such as agreeing the strategy for the liquidation, filing notices of appointment, statutory advertising, opening and maintaining the estate cash book and bank accounts and reporting periodically to creditors, HMRC and the Registrar of Companies.
- 2 7 Creditors should note that this work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

## **Realisation of assets**

### **2.8 Furniture and Equipment**

The last set of accounts as at year ending 31 December 2013 show the Company had benefit of furniture and equipment in the sum of £2,454. The director advised that the assets were written off through depreciation and were disposed of as part of the hiving down of the Company. The Joint Liquidators disclaimed their interest in the assets on appointment and no realisations are expected in relation to this.

### **Stock**

As per the directors Statement of Affairs and the last set of accounts as at year ending 31 December 2013, a stock figure in the sum of £120,000 was estimated. The director confirmed that the majority of stock had been written off as non-existent and attributed to an inventory tracking error. The director confirmed that the Company previously owned a warehouse which contained large number of stock items for sale. A large proportion of the stock held in the warehouse was pending customs clearance. In 2013 the warehouse was closed and a lot of the stock was sold off over the months, whilst the goods had been sold, the books continued to show inventory on hand. Evidential sales schedules for stock has been provided.

It is understood that a small amount of worthwhile stock was distributed elsewhere within the group of remaining companies prior to Wilson Field appointment.

- £37,322 worth of stock was originally purchased from FOSG has now been returned
- £57,032 has been attributed to an inventory tracking error due to poor record keeping (written off August 2015)
- £18,581 attributed to inventory tracking error which was set off against accounts payable discrepancies

The director was requested to provide a schedule of assets in this respect which was valued by Ian Maycock of Charterfields.

No further realisations are expected in this regards.

### **Trade Debtors**

The last set of accounts as at 31/12/2013 indicated that there were outstanding debtors in the sum of £2,015,522. The amount estimated to be due to the Company was £240,000. The director has indicated that, due to the nature of the liabilities and the difficulty in enforcing the payments there was little chance of recovering any of the book debts owed, however an amount of £3,141 has been received from BHS Limited. Investigations into this matter are ongoing and an update to creditors will be provided in due course however the information in the Company's books and records is limited and I am unable to reconcile the outstanding debtors with the relevant invoices in order to be able to pursue them.

### **Cash at Bank**

An amount of £6,349.88 has been received in respect of a credit balance within the Company bank account on 10 November 2015. The director originally advised that a credit of £46,000 was held in the Bank Account however further review by liquidators showed that this amount belonged to another Company for which the director provided sufficient evidence. No further realisations are expected in this matter.

### ***Creditors (claims and distributions)***

- 2 9 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. The Liquidators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 2 10 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 2 11 The above work will not necessarily bring any financial benefit to creditors generally, however the Liquidators are required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidators in dealing with those claims.

### ***Investigations***

- 2 12 Some of the work the Liquidators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidators can pursue for the benefit of creditors.
- 2 13 I can confirm that I have submitted a report on the conduct of the directors of the Company to the Department for Business Innovation & Skills under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents.
- 2 14 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the s98 meeting or as a response to my request to complete an investigation questionnaire. My investigations have not revealed any issues requiring further report or any further potential recoveries which could be pursued for the benefit of creditors.

## **3 Creditors**

### ***Secured creditors***

- 3 1 The company did not extend security to any of its creditors. A debenture was held in favour of HSBC Ltd which was registered on 7 November 2007 and is recorded as satisfied at Companies House on 27 March 2015.

### ***Preferential creditors***

- 3 2 There have been no preferential claims received to date and none are expected.

### ***Unsecured creditors***

- 3 3 I have received claims totalling £129,316 from 5 creditors. I have yet to receive claims from 17 creditors whose debts total £3,173,189.71 as per the Company's statement of affairs.
- 3 4 The Company did not grant any floating charges to a secured creditor. Accordingly, there is no requirement to create a fund out of the Company's net floating charge property for

unsecured creditors (known as the **Prescribed Part**), which only applies to charges created after 15 September 2003

- 3 5 I would confirm that it is anticipated there will be insufficient funds realised after defraying the expenses of the liquidation to pay a dividend to unsecured creditors

#### **4 Joint Liquidators' remuneration**

- 4 1 The creditors approved that the basis of the Liquidators' remuneration be fixed to the time properly spent by her and her staff in managing the Liquidation
- 4 2 My time costs for the Period are £17,740. This represents 60 hours at an average rate of £294 per hour. Attached as appendix B is a time analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent by me in managing the liquidation. To date, £7,523 plus disbursements of £898 has been drawn on account
- 4 3 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from <https://www.r3.org.uk/what-we-do/publications/professional/fees>
- 4 4 Attached as appendix C is additional information in relation to the Liquidators' fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers

#### **5 Creditors' rights**

- 5 1 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) may request in writing that the Liquidators provide further information about their remuneration or expenses which have been itemised in this progress report
- 5 2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidators, as set out in this progress report, are excessive

#### **6 Next report**

- 6 1 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final progress report ahead of convening the final meeting of creditors

Yours faithfully



**L J Hogg**  
Joint Liquidator



**06378432 Ltd (formerly known as Furniture Origins (UK) Ltd)**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £		From 22/09/2015 To 21/09/2016 £	From 22/09/2015 To 21/09/2016 £
	<b>ASSET REALISATIONS</b>		
NIL	Furniture & Equipment	NIL	NIL
NIL	Stock	NIL	NIL
Uncertain	Trade Debtors	3,141 35	3,141 35
Uncertain	Cash at Bank	6,349 88	6,349 88
	Bank Interest Gross	1 25	1 25
	Bank Interest Net of Tax	NIL	NIL
		<u>9,492 48</u>	<u>9,492 48</u>
	<b>COST OF REALISATIONS</b>		
	Specific Bond	24 00	24 00
	Liquidators Fees	7,523 33	7,523 33
	Document Upload Fees	150 00	150 00
	Postage, stationery, photocopying	200 00	200 00
	Re-Direction of Mail	320 00	320 00
	Statutory Advertising	204 00	204 00
		<u>(8,421 33)</u>	<u>(8,421 33)</u>
	<b>UNSECURED CREDITORS</b>		
(147,957 00)	Trade & Expense Creditors	NIL	NIL
	DSS	NIL	NIL
(3,150,885 77)	Connected Company Creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>DISTRIBUTIONS</b>		
(1 00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<b>(3,298,843.77)</b>		<b><u>1,071.15</u></b>	<b><u>1,071.15</u></b>
	<b>REPRESENTED BY</b>		
	Bank 1 Current		10 35
	Vat Control Account		1,060 80
			<u>1,071.15</u>



Lisa Jane Hogg  
Joint Liquidator

# Time Entry - Detailed SIP9 Time & Cost Summary

063701C - 06378432 Ltd (formerly known as Furniture Orgins (UK) Ltd)  
From 22/09/2015 To 21/09/2016  
Project Code POST

Classification of Work Function	Directors & IP's	Manager & Senior Administrator	Administrators	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
ADAP Appointment	0 30	0 00	8 20	0 00	8 50	2 364 00	278 12
ADCA Cashiering	1 70	1 00	1 30	5 10	9 10	2 648 50	291 04
ADCR Case Reviews	1 20	0 00	9 50	1 30	12 00	3 302 00	275 17
ADDI Directors/Client	0 20	0 00	1 00	0 00	1 20	366 00	305 00
ADGA File Maintenance	1 60	0 00	2 80	1 00	5 40	1 646 00	304 81
ADSC Statutory and Compliance	0 80	0 10	0 20	0 00	1 10	479 00	435 45
ADSO Strategic Overview	0 00	0 00	0 10	0 00	0 10	27 00	270 00
<b>Admin and Planning</b>	<b>5 80</b>	<b>1 10</b>	<b>23 10</b>	<b>7 40</b>	<b>37 40</b>	<b>10 832 50</b>	<b>289 64</b>
CRCL Creditors Claims	0 00	0 00	0 30	0 00	0 30	81 00	270 00
CRCO Communications with Creditors	0 00	0 00	0 00	0 10	0 10	13 00	130 00
CRTV Tax and VAT	0 50	0 00	1 30	2 80	4 60	1 223 50	265 98
<b>Creditors</b>	<b>0 50</b>	<b>0 00</b>	<b>1 60</b>	<b>2 90</b>	<b>5 00</b>	<b>1 317 50</b>	<b>263 50</b>
INDR CDDA Report	0 30	0 00	0 20	0 00	0 50	204 00	408 00
INRE Investigation and Review	1 10	0 00	12 40	0 00	13 50	3 890 00	288 15
<b>Investigations</b>	<b>1 40</b>	<b>0 00</b>	<b>12 60</b>	<b>0 00</b>	<b>14 00</b>	<b>4 094 00</b>	<b>292 43</b>
REDC Debt Collection	0 10	0 00	0 50	0 30	0 90	244 50	271 67
REIS Identifying Securing and Insuring	1 40	0 00	0 10	0 00	1 50	727 00	484 67
REPB Property Business and Asset Sales	0 40	0 00	1 20	0 00	1 60	524 00	327 50
<b>Realisation of Assets</b>	<b>1 90</b>	<b>0 00</b>	<b>1 80</b>	<b>0 30</b>	<b>4 00</b>	<b>1 495 50</b>	<b>373 88</b>
<b>Total Hours</b>	<b>9 60</b>	<b>1 10</b>	<b>39 10</b>	<b>10 60</b>	<b>60 40</b>	<b>17 739 50</b>	<b>293 70</b>

## Appendix C

### Additional information in relation to the Joint Liquidators' fees, expenses & disbursements

#### 1 Staff allocation and the use of sub-contractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case
- 1.2 The constitution of the case team will usually consist of an Insolvency Practitioner, a manager, and an administrator or assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment
- 1.3 We are not proposing to utilise the services of any sub-contractors in this case

#### 2 Professional advisors

- 2.1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis

Name of Professional Advisor	Basis of Fee Arrangement
Charterfields Limited (valuation and disposal advice)	Hourly rate and disbursements

- 2.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them

#### 3 Joint Liquidators' expenses & disbursements

- 3.1 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below

	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
Statutory advertising	204 00	0 00	204 00
Specific penalty bond	24 00	0 00	24 00
Re-direction of the Company's mail	320 00	0 00	320 00
<b>Category 2 disbursements</b>			
Postage, stationary and photocopying	200 00	200 00	400 00
Document Upload Fees	150 00	0 00	150 00

- 3.2 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above.

- 3 3 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Liquidators' fees were approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

#### **4 Charge-out rates**

- 4 1 A schedule of Wilson Field Limited's charge-out rates are detailed on the next page.

## WILSON FIELD LIMITED CHARGE OUT RATES AND DISBURSEMENT POLICY

In accordance with Statement of Insolvency Practice 9 ("SIP 9") covering fees and disbursements, we are required to disclose to you our policy for recovering non-specific disbursements, and the charge out rates for the various grades of staff who may be involved in this case

### Remuneration

The office holder(s) will seek approval from creditors to draw remuneration on a time cost basis, in accordance with the rates detailed below

Grade	Hourly charge out rate (£)	
	01/02/2014 to 31/10/2014	01/11/2014 onwards
Director/Insolvency Practitioner	350-500	500
Manager	260-400	400
Assistant Manager	N/A	395
Team Leader	N/A	390
Senior Administrator	240	330
Administrator (1-5 years experience)	120-240	230-300
Secretarial & Support	100-130	130

All time is recorded in 6 minute units

### Category 1 Disbursements

In accordance with SIP 9, these do not require the approval of creditors and are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include advertising, room hire, insurance, travel expenses etc

### Category 2 Disbursements

In accordance with SIP 9, these require the prior approval of creditors

Category 2 disbursements are charged in accordance with the liquidator's prevailing recovery policy at the time the disbursement is incurred. The rates applicable from 1 August 2016 are detailed below

Disbursement	Charge	
Search fees	£10 per document	On appointment
Document Upload Centre charge	£150	On appointment
Room Hire where meeting held at Wilson Field office	£100	On appointment (where appropriate)
Mileage	45p per mile	On appointment (where appropriate)
Postage, stationery, photocopying etc	£10 per member and creditor per year	On appointment and annually
Insolvency software fee	£150 per year	On appointment and annually
Storage of books and records	£80 per box per year	Once records are logged and then annually
Document management fee	£150 per year	Annually on 1 <sup>st</sup> August

In common with all professional firms, our charge out and disbursements rates increase from time to time. We reserve the right to change the rates without prior notice to you. Any change will be reported in the next statutory report to creditors.