

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

Name of Company

06416508

(a) Insert full name of
company

(a) Newark Joinery

Limited

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

I (b) Julie Elizabeth Willetts of Blades Insolvency Services,
Charlotte House, 19B Market Place, Bingham, Nottingham
NG13 8AP

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 16 April 2012
to 15 April 2013

Signed *Julie Willetts*Date *13 June 2013*

Presenter's name
address and
reference
(if any)

SATURDAY



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A31

15/06/2013

#190

COMPANIES HOUSE

Our ref JW/2514/A
13 June 2013

**NEWARK JOINERY LIMITED
IN LIQUIDATION**

LIQUIDATORS' REPORT PURSUANT TO SECTION 104A INSOLVENCY ACT 1986

Introduction

This report covers the period from 16 April 2012, being the date of liquidation, to 15 April 2013 and should be read in conjunction with my initial report

Company and liquidators' details

Company registered number	06416508
Nature of business	Kitchen manufacturer
Former trading address	Rear of Sherwood Laboratories, 41 Brunel Drive, Newark, Nottinghamshire, NG24 2EG
Date of liquidators' appointment	16 April 2012
Names of joint liquidators	J Willetts and P A Brooks
Changes in office holders (if any)	None
Registered office address	Charlotte House, 19B Market Place, Bingham, Nottingham NG13 8AP

Liquidators' receipts and payments account

There have been no receipts or payments in the liquidation and consequently I am unable to provide an account

Realisation of assets

There have been no realisations in the liquidation



Creditors' claims and dividends

- **Preferential**

No preferential claims have been received and none identified

- **Non-preferential**

Claims have been received from two non-preferential creditors totalling £112,705. No creditors recorded in the statement of affairs with debts have submitted a claim. The statement of affairs disclosed two creditors with claims totalling £39,553.

- **Dividend prospects**

There are no funds available in the liquidation to permit the payment of a dividend to any class of creditor.

Liquidators' fees and disbursements

I have incurred disbursements of £265 made up as follows

	£
Statutory advertising	221
Insolvency bond	24
Company search	20
	265
	=====

At the meeting of creditors held on 16 April 2012 the following resolutions were approved.

- "Payment of £4,000 plus disbursements plus VAT be made to Blades Insolvency Services as an expense of the liquidation in respect of fees and disbursements for convening the meeting and the preparation of the statement of affairs"
- "The joint liquidators be authorised to draw their remuneration on a time cost basis as and when required"

The fee for the meetings of members and creditors and completion of the statement of affairs was paid by the director Mr Simon Wing

To reduce the level of professional costs certain work has been conducted by staff under my supervision. The level of staff has been selected based upon the nature and complexity of the assignment.

The current hourly charge-out rate for each grade of staff is detailed on the attached summary of fees and disbursements charged by this firm. There has been no increase in hourly rates during this reporting period. All staff involved in the assignment have been charged directly to the case and there has been no general overhead allocation in respect of support staff.

A copy of "A Creditors' Guide to Liquidators' Fees" which forms part of Statement of Insolvency Practice number 9, a statement of best practice agreed by the various insolvency regulatory authorities, is also enclosed for your information.

I have incurred time costs of £3,931 in respect of work undertaken since the date of liquidation. This represents a total of 29.20 hours spent at an average hourly rate of £188.08. To date I have drawn no fees on account of these costs.

Investigation into the affairs of the company

I undertook an initial investigation into the company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the amount of funds likely to be available to pay the costs of an investigation and the relevant costs involved.

There were no matters that justified further investigation in the circumstances of this appointment.

Company Directors Disqualification Act 1986

In accordance with the provisions of the Company Directors Disqualification Act 1986, I confirm that I have fulfilled my statutory obligation and submitted a report on the conduct of the directors of the company to the Secretary of State.

Outstanding matters

There are no further matters outstanding and I expect to finalise my administration within the next three months.

Further information

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the liquidators' remuneration and expenses, within twenty one days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the liquidators' fees and the amount of any proposed expenses or expenses already incurred, within eight weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

Please do not hesitate to contact me should you require any further information.



J Willetts
Joint Liquidator

**NEWARK JOINERY LIMITED
IN LIQUIDATION**

**LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD 16 APRIL 2012 TO 15 JUNE 2013**

Statement of affairs	From 16/04/2012 to 15/04/2013
£	£
RECEIPTS	
<u>0</u>	<u>0 00</u>
PAYMENTS	
	<u>0 00</u>
Balance on hand	<u>0 00</u>

Summary of the fees and disbursements charged by Blades Insolvency Services

In accordance with best practice, 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

• Fees

Where a resolution is passed by the creditors, or the creditors' committee, that remuneration will be calculated by reference to time properly incurred by the Insolvency Practitioners and their staff in the administration of the insolvent estate, then time will be charged to the estate in units of 6 minutes at the following hourly rates -

Grade of Staff	Rate per Hour effective from 1 November 2011 £	Rate per Hour prior to 1 November 2011 £
Partner	260 00	240 00
Administrators	80 00 - 120 00	80 00 - 120 00
Assistants/Support Staff	70 00	60 00

These hourly rates are exclusive of Value Added Tax and subject to annual review

For reference the rate of remuneration chargeable by the Official Receiver calculated on the basis of 4 127(2)(a) Insolvency Rules 1986 is as follows -

The realisation scale:-

On the first £5,000 or fraction thereof	20	%
On the next £5,000 or fraction thereof	15	%
On the next £90,000 or fraction thereof	10	%
On all further sums realised	5	%

The distribution scale:-

On the first £5,000 or fraction thereof	10	%
On the next £5,000 or fraction thereof	7.5	%
On the next £90,000 or fraction thereof	5	%
On all further sums distributed	2.5	%

• Disbursements

Category 1 disbursements will be charged to the estate to recover the cost of the actual disbursement. Such disbursements will include insolvency bonds, swear fees, company searches, postal redirection, postage, statutory advertising and external room hire

It is proposed that Category 2 disbursements will be separately charged to the insolvent estate as an expense to recover the cost of the following disbursements incurred by our firm

Document Storage	Documents will be stored in banker's boxes and storage will be charged at the rate of £10 00 per box per annum. This rate includes the cost of transport and the eventual destruction of the records
Travel	Travel by car will be charged to the insolvent estate at the rate of 45 pence per mile
Room Hire	The charge for the use of a meeting room provided by the firm will be at a fixed rate of £75 00
Circulars	Circular letters will be charged at the rate of five pence per sheet to reflect the cost of stationery, photocopying and printing. The actual cost of postage will be separately charged to the estate. (No charge is made for individual letters relating to the administration of the insolvent estate)

A CREDITORS' GUIDE TO LIQUIDATORS' FEES

ENGLAND AND WALES

- 1 Introduction
- 1.1 When a company goes into liquidation the costs of the proceedings are paid out of its assets. The creditors, who hope to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as liquidator. The Insolvency legislation recognises this interest by providing mechanisms for creditors to fix the basis of the liquidator's fees. This guide is intended to help creditors be aware of their rights to approve and monitor fees, explain the basis on which fees are fixed and how creditors can seek information about expenses incurred by the liquidator and challenge those they consider to be excessive.
- 2 Liquidation procedure
- 2.1 Liquidation (or 'winding up') is the most common type of corporate insolvency procedure. Liquidation is the formal winding up of a company's affairs entailing the realisation of its assets and the distribution of the proceeds in a prescribed order of priority. Liquidation may be either voluntary, when it is instituted by resolution of the shareholders, or compulsory, when it is instituted by order of the court.
- 2.2 Voluntary liquidation is the more common of the two. An insolvent voluntary liquidation is called a creditors' voluntary liquidation (often abbreviated to 'CVL'). In this type of liquidation an insolvency practitioner acts as liquidator throughout and the creditors can vote on the appointment of the liquidator at the first meeting of creditors.
- 2.3 In a compulsory liquidation on the other hand, the function of liquidator is, in most cases, initially performed not by an insolvency practitioner but by an official called the official receiver. The official receiver is an officer of the court and an official belonging to The Insolvency Service. In most compulsory liquidations, the official receiver becomes liquidator immediately on the making of the winding-up order. Where there are significant assets an insolvency practitioner will usually be appointed to act as liquidator in place of the official receiver, either at a meeting of creditors convened for the purpose or directly by The Insolvency Service on behalf of the Secretary of State. Where an insolvency practitioner is not appointed the official receiver remains liquidator.
- 2.4 Where a compulsory liquidation follows immediately on an administration the court may appoint the former administrator to act as liquidator. In such cases the official receiver does not become liquidator. An administrator may also subsequently act as liquidator in a CVL.
- 3 The liquidation committee
- 3.1 In a liquidation (whether voluntary or compulsory) the creditors have the right to appoint a committee called the liquidation committee, with a minimum of 3 and a maximum of 5 members, to monitor the conduct of the liquidation and approve the liquidator's fees. The committee is usually established at the creditors' meeting which appoints the liquidator, but in cases where a liquidation follows immediately on an administration any committee established for the purposes of the administration will continue in being as the liquidation committee.
- 3.2 The liquidator must call the first meeting of the committee within 6 weeks of its establishment (or his appointment if that is later), and subsequent meetings must be held either at specified dates agreed by the committee, or when requested by a member of the committee, or when the liquidator decides he needs to hold one. The liquidator is required to report to the committee at least every 6 months on the progress of the liquidation, unless the committee directs otherwise. This provides an opportunity for the committee to monitor and discuss the progress of the insolvency and the level of the liquidator's fees.
- 4 Fixing the liquidator's remuneration
- 4.1 The basis for fixing the liquidator's remuneration is set out in Rules 4.127 – 4.127B of the Insolvency Rules 1986. The Rules state that the remuneration shall be fixed
- as a percentage of the value of the assets which are realised or distributed or both,
 - by reference to the time properly given by the liquidator and his staff in attending to matters arising in the liquidation, or
 - as a set amount.
- Any combination of these bases may be used to fix the remuneration, and different bases may be used for different things done by the liquidator. Where the remuneration is fixed as a percentage different percentages may be used for different things done by the liquidator.
- It is for the liquidation committee (if there is one) to determine on which of these bases, or combination of bases, the remuneration is to be fixed. Where it is fixed as a percentage, it is for the committee to determine the percentage or percentages to be applied. Rule 4.127 says that in arriving at its decision the committee shall have regard to the following matters
- the complexity (or otherwise) of the case,
 - any responsibility of an exceptional kind or degree which falls on the liquidator in connection with the insolvency,
 - the effectiveness with which the liquidator appears to be carrying out, or to have carried out, his duties,
 - the value and nature of the assets which the liquidator has to deal with.
- 4.2 If there is no liquidation committee or the committee does not make the requisite determination, the liquidator's remuneration may be fixed by a resolution of a meeting of creditors. The creditors take account of the same matters as apply in the case of the committee. A resolution specifying the terms on which the liquidator is to be remunerated may be taken at the meeting which appoints the liquidator.
- 4.3 If the remuneration is not fixed as above, it will be fixed in one of the following ways. In a CVL, it will be fixed by the court on application by the liquidator, but the liquidator may not make such an application unless he has first tried to get his remuneration fixed by the committee or creditors as described above, and in any case not later than 18 months after his appointment. In a compulsory liquidation, it will be in accordance with a scale set out in the Rules.
- 4.4 Where the liquidation follows directly on from an administration in which the liquidator had acted as administrator the basis of remuneration fixed in the administration continues to apply in the liquidation (subject to paragraph 8 below).
- 5 Review of remuneration
- Where there has been a material and substantial change in circumstances since the basis of the liquidator's remuneration was fixed, the liquidator may request that it be changed. The request must be made to the same body as initially approved the remuneration, and the same rules apply as to the original approval.

6 What Information should be provided by the liquidator?

6.1 When fixing bases of remuneration

6.1.1 When seeking agreement for the basis or bases of remuneration, the liquidator should provide sufficient supporting information to enable the committee or the creditors to make an informed judgement as to whether the basis sought is appropriate having regard to all the circumstances of the case. The nature and extent of the information provided will depend on the stage during the conduct of the case at which approval is being sought. The appendix to this guide sets out a suggested format for the provision of information.

6.1.2 If any part of the remuneration is sought on a time costs basis, the liquidator should provide details of the minimum time units used and current charge-out rates, split by grades of staff, of those people who have been or who are likely to be involved in the time costs aspects of the case.

6.1.3 The liquidator should also provide details and the cost of any work that has been or is intended to be sub-contracted out that could otherwise be carried out by the liquidator or his or her staff.

6.1.4 If work has already been carried out, the liquidator should state the proposed charge for the period to date and provide an explanation of what has been achieved in the period and how it was achieved, sufficient to enable the progress of the case to be assessed and whether the proposed charge is reasonable in the circumstances of the case. Where the proposed charge is calculated on a time costs basis, the liquidator should disclose the time spent and the average charge-out rates in larger cases split by grades of staff and analysed by appropriate activity. The liquidator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the liquidator or his or her staff.

6.2 After the bases of remuneration have been fixed

The liquidator is required to send progress reports to creditors at specified intervals (see paragraph 7.1 below). When reporting periodically to creditors, in addition to the matters specified in paragraph 7.1, the liquidator should provide an explanation of what has been achieved in the period under review and how it was achieved, sufficient to enable the progress of the case to be assessed. Creditors should be able to understand whether the remuneration charged is reasonable in the circumstances of the case (whilst recognising that the liquidator must fulfil certain statutory obligations and regulatory requirements that might be perceived as bringing no added value for the estate). Where any remuneration is on a time costs basis, the liquidator should disclose the charge in respect of the period, the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. If there have been any changes to the charge-out rates during the period under review, rates should be disclosed by grades of staff, split by the periods applicable. The liquidator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the liquidator or his or her staff.

6.3 Disbursements and other expenses

6.3.1 Costs met by and reimbursed to the liquidator in connection with the liquidation should be appropriate and reasonable. Such costs will fall into two categories:

- Category 1 disbursements. These are costs where there is specific expenditure directly referable both to the liquidation and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the liquidator or his or her staff.

- Category 2 disbursements. These are costs that are directly referable to the liquidation but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the liquidation on a proper and reasonable basis, for example, business mileage.

Category 1 disbursements can be drawn without prior approval, although the liquidator should be prepared to disclose information about them in the same way as any other expenses. Category 2 disbursements may be drawn if they have been approved in the same manner as the liquidator's remuneration. When seeking approval, the liquidator should explain, for each category of expense, the basis on which the charge is being made.

6.3.2 The following are not permissible:

- a charge calculated as a percentage of remuneration,
- an administration fee or charge additional to the liquidator's remuneration,
- recovery of basic overhead costs such as office and equipment rental, depreciation and finance charges.

6.4 Realisations for secured creditors

Where the liquidator realises an asset on behalf of a secured creditor and receives remuneration out of the proceeds (see paragraph 11.1 below), he should disclose the amount of that remuneration to the committee (if there is one), to any meeting of creditors convened for the purpose of determining his fees, and in any reports he sends to creditors.

7 Progress reports and requests for further information

7.1 The liquidator is required to send annual progress reports to creditors. The reports must include:

- details of the basis fixed for the remuneration of the liquidator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it);
- if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report);
- if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done during those periods, irrespective of whether payment was actually made during the period of the report;
- a statement of the expenses incurred by the liquidator during the period of the report, irrespective of whether payment was actually made during that period;
- a statement of the creditors' rights to request further information, as explained in paragraph 7.2, and their right to challenge the liquidator's remuneration and expenses.

7.2 Within 21 days of receipt of a progress report (or 7 business days where the report has been prepared for the purposes of a meeting to receive the liquidator's resignation) a creditor may request the liquidator to provide further information about the remuneration and expenses set out in the report. A request must be in writing, and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court.

7.3 The liquidator must provide the requested information within 14 days, unless he considers that:

- the time and cost involved in preparing the information would be excessive, or

- disclosure would be prejudicial to the conduct of the liquidation or might be expected to lead to violence against any person, or - the liquidator is subject to an obligation of confidentiality in relation to the information requested, in which case he must give the reasons for not providing the information Any creditor may apply to the court within 21 days of the liquidator's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information.	10	What if the liquidator is dissatisfied? If the liquidator considers that the remuneration fixed by the liquidation committee, or in the preceding administration, is insufficient or that the basis used to fix it is inappropriate he may request that the amount or rate be increased, or the basis changed, by resolution of the creditors. If he considers that the remuneration fixed by the liquidation committee, the creditors, in the preceding administration or in accordance with the statutory scale is insufficient, or that the basis used to fix it is inappropriate, he may apply to the court for the amount or rate to be increased or the basis changed. If he decides to apply to the court he must give at least 14 days' notice to the members of the committee and the committee may nominate one or more of its members to appear or be represented at the court hearing. If there is no committee, the liquidator's notice of his application must be sent to such of the creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid out of the assets
8 Provision of information – additional requirements The liquidator must provide certain information about the time spent on the case, free of charge upon request by any creditor, director or shareholder of the company The information which must be provided is – - the total number of hours spent on the case by the liquidator or staff assigned to the case, - for each grade of staff, the average hourly rate at which they are charged out, - the number of hours spent by each grade of staff in the relevant period The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the liquidator's appointment, or where he has vacated office, the date that he vacated office. The information must be provided within 28 days of receipt of the request by the liquidator, and requests must be made within two years from vacation of office	11	Other matters relating to remuneration 11.1 Where the liquidator realises assets on behalf of a secured creditor he is entitled to be remunerated out of the proceeds of sale in accordance with a scale set out in the Rules. Usually, however, the liquidator will agree the basis of his fee for dealing with charged assets with the secured creditor concerned 11.2 Where two (or more) joint liquidators are appointed it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute between them may be referred to the court, the committee or a meeting of creditors 11.3 If the appointed liquidator is a solicitor and employs his own firm to act in the insolvency, profit costs may not be paid unless authorised by the committee, the creditors or the court 11.4 If a new liquidator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new liquidator until a further determination, resolution or court order is made 11.5 Where the basis of the remuneration is a set amount, and the liquidator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing liquidator. The application must be made to the same body as approved the remuneration. Where the outgoing liquidator and the incoming liquidator are from the same firm, they will usually agree the apportionment between them 11.6 There may also be occasions when creditors will agree to make funds available themselves to pay for the liquidator to carry out tasks which cannot be paid for out of the assets, either because they are deficient or because it is uncertain whether the work undertaken will result in any benefit to creditors. Arrangements of this kind are sometimes made to fund litigation or investigations into the affairs of the insolvent company. Any arrangements of this nature will be a matter for agreement between the liquidator and the creditors concerned and will not be subject to the statutory rules relating to remuneration
9 What if a creditor is dissatisfied? 9.1 Except in cases where there is a liquidation committee it is the creditors as a body who have authority to approve the liquidator's fees. To enable them to carry out this function they may require the liquidator to call a creditors' meeting. In order to do this at least ten per cent in value of the creditors must concur with the request, which must be made to the liquidator in writing 9.2 If a creditor believes that the liquidator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the liquidator are in all the circumstances excessive he may, provided certain conditions are met, apply to the court 9.3 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the liquidator's progress report in which the changing of the remuneration or incurring of the expenses in question is first reported (see paragraph 7.1 above). If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the liquidator a copy of the application and supporting evidence at least 14 days before the hearing 9.4 If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not out of the assets of the insolvent company	12	Effective date This guide applies where a company goes into liquidation on or after 1 November 2011

